FINANCIAL TIMES
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Temporary controlled float for pound

BY SAMUEL BRITTAN

THE POUND sterling is to float for the time being.

There will be an operational lower limit of $2.38 below which the rate will not be allowed to drop. But this lower limit is designed to reassure sterling area holders. It has been introduced as a matter of tactics rather than policy and could be changed at the Bank of England's discretion.

The Bank of England will intervene at its discretion in the foreign exchange market and

will continue to publish daily dealing limits. The latter are, however, largely a technical matter and will mainly reflect market movements. The official Treasury statement emphasises that the official parity will remain unchanged at $2.40, but for the time-being dealings will not necessarily be confined within existing limits."

No guidance was available last night on the likely duration of the float: but the earliest time at which it could be brought to an end would be after the meeting of EEC Finance Ministers on September 13.

The pound has been above its upper limit for several days and yesterday in New York was around $2.47, compared with a previous upper intervention point of $2.42.

The independent British float is one indication that European countries have failed to evolve a unified, or even concerted, response to the Nixon measures on the dollar. When nearly all the foreign exchange market reopen on Monday (traders will find a variety of different national policies in operation, with some countries still fixing their rates against the dollar, some floating, others widening their margins and yet others adopting a two-tier system.

Some governments have still to clarify their exact policies for intervention in the foreign exchange market; and it will thus take some while for a clear pattern to emerge from the present confusion.

Meanwhile, the German mark and Dutch guilder are to continue to float. The Federal Economics Minister, Professor Schiller, has said that a "big chance has been missed" by the EEC Ministers. Nevertheless, he believed that Germany's policy of a collective Common Market float was steadily winning support and would be accepted even by France at the next meeting of EEC Finance Ministers on September 13.

France is to operate a two-tier market. There will be a freely floating "financial franc" for capital and tourist transactions. Current transactions, said to cover 70-75 per cent. of the total, will take place at an official exchange rate, which the French Government is insisting will not be revalued against the dollar.

There appears, however, to be considerable scepticism in Paris financial circles about the viability of these arrangements and there is a widespread belief that the two rates will eventually be brought together in a modest revaluation.

The Belgians are to continue with their existing two-tier system. The commercial rate will initially be on the basis of the old dollar parity. But if there is a major influx of dollars the Belgian franc will be allowed a controlled upward float.

In contrast to the position prevailing in France, there is expected to be little difference between the two rates for the Belgian franc.

The Italians are not expected to adopt a two-tier system, but to widen the margins to about 4 per cent. on either side of the existing dollar parity.

Future of yen

The official Swiss foreign exchange market is to remain closed on Monday unless there is a change in the international monetary system over the week end. The Swiss Cabinet is to meet at 8 a.m. on Monday.

But the key to the currency jigsaw puzzle remains the Japanese yen. The biggest world payments disequilibrium is between Japan and the U.S. There is a strong and growing expectation that the Japanese will agree to a revaluation or upward floating of the yen.

The Japanese are, however, also formidable industrial competitors of many European countries; and the larger the appreciation of the yen, the greater the chance that those European countries, such as France, which are now dragging their feet, will eventually agree to take part in a currency realignment against the dollar.

The Managing Director of the International Monetary Fund, M. Pierre Paul Schweitzer, has cabled to Fund members expressing great concern at recent developments. He fears "disorder and discrimination in currency and trade relationships" unless the opportunity is taken to strengthen the international monetary system.

It is known that M. Schweitzer believes that parity changes are necessary and that he favours a widening of the currency bands to 2-3 per cent. on either side of "fixed" parities.

Efforts to call an early meeting of the Group of Ten Finance Ministers have failed; and they are not expected to gather until September 15. But there is some hope that when the dust thrown up by recent exchanges has settled, a meeting of the Group of Ten at "Deputies" level (for which the Americans have called) may be convened to prepare the ground for their Ministerial superiors.

Indeed, Central Bank "hot lines" are already in operation to try to minimise possible conflicts in the market intervention policies of different countries and to prevent excessive distortions in the exchange markets.

European central bankers will also be meeting formally in Paris in the middle of next week. This will be at the Board of the European Monetary Agreement; and the meeting will be chaired by M. Alexandre Hay, deputy governor of the Swiss National Bank.

"Floating rates" in the present context means that the prices of currencies against each other will be settled by the forces of supply and demand in the market place. But national authorities will themselves enter the market in an attempt to prevent excessive fluctuation and perhaps also to influence the course of the rates. Consultations will therefore be necessary to prevent violent clashes of national objectives.

It will clearly take time for foreign exchange markets to get used to the new pattern and fairly wide differences between buying and selling rates may be expected at first. On the other hand, the movement of many exchange rates is not expected to be spectacular.

15 N. Sea blocks yield £37m.

BY ADRIAN HAMILTON

THE 15 blocks put up for competitive tender in the U.K. North Sea fetched a total of over £37.2m. yesterday afternoon in the first Alaska-style auction ever held in Europe.

Each of the bids was opened in turn at a special ceremony at the Department of Trade and Industry, and by the end of the afternoon a total of 31 groups representing 73 companies on both sides of the Atlantic, had offered more than £135.5m. for what has become one of the most promising oil exploration areas in the world.

The most eagerly sought-after block of the auction proved to be one of the most northern, block 211/21 north-east of the Orkneys, which went for an unexpected £21m. to the Shell-Esso group.

The sum, which was over £12.5m. higher than the next largest offer for the same block and brought looks of astonishment to some of the presiding members of the Government, is an indication of the group's long-held faith in the northern areas.

No results yet

While the water depth in the area is over 400 feet and the weather conditions extremely difficult, it lies near where Shell-Esso has drilled a recent well. No results of the well, on block 211/19, have been released, but it is known to have been sited on an extremely large structure, and it is this which probably induced the block to attract over half the total amount put forward in the round's bid.

At the other end of the scale three of the blocks attracted only one bid, and each of these went to a relatively unknown Canadian independent concern, Chieftain Development Company.

The company, which bid for 13 of the 15 blocks on offer, found itself the only applicant for block 21/14 off Aberdeen at only £3,200; for block 21/7 at £4,800 and for 48/12-13b at £8,000.

"It was really a trial run at the U.K.'s regulations and bidding system," Mr. Stanley A. Milner, president of the company, said afterwards. "We decided on the amount of money which we were prepared to pay in the auction and then graded all the blocks in order of interest."

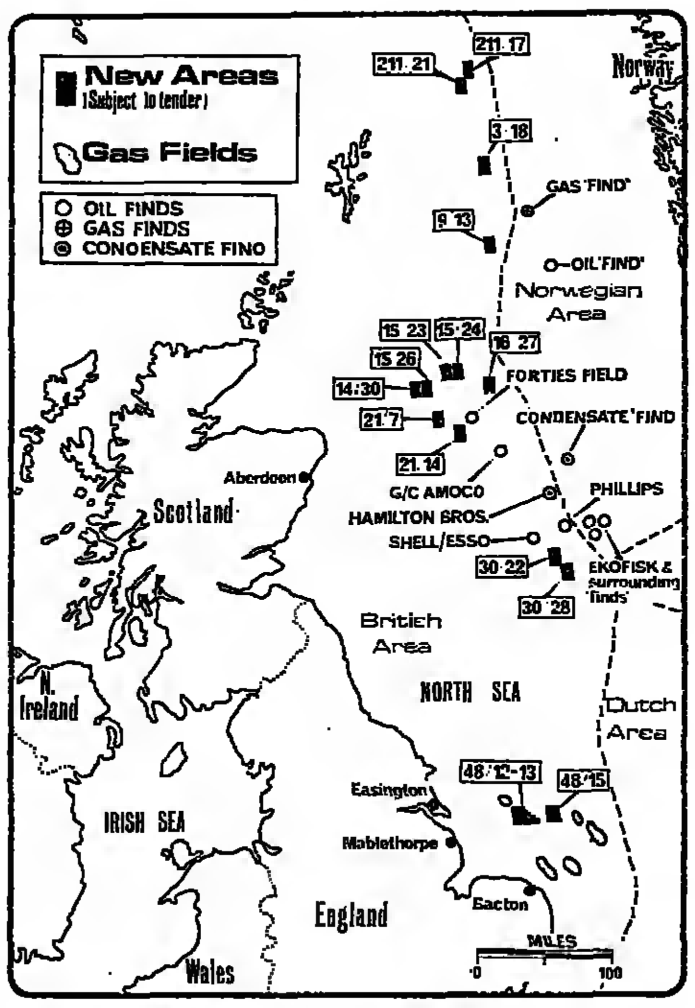
Most of the bidding, however, was dominated by the more experienced exploration groups in the North Sea, such as BP, Phillips, Total, Mobil, Amoco and Conoco.

Their main interest concentrated on the Scottish waters near existing oil finds and on the diagonal trend line which moves north-west from Phillips' discovery of the giant Ekofisk field in Norwegian waters.

Block 9/13, which lies west of discovery of oil by Shell-Esso and a more recent major gas find at Frigg in Norwegian waters, attracted 17 bids, the majority of which were for well over £1m.

The highest bid for it, at over £6.3m., came from a group of U.S. companies headed by Mobil and including Amerada, Texas Eastern and the Gas Council.

The Gas Council was also part of another successful group headed by Texas Eastern and including Amoco and Amerada, which offered just over £1m. for block 30/22, just south of two oil finds by the Phillips group and Shell-Esso.



The new areas up for tender yesterday shown in relation to existing finds of oil, gas and condensate.

Coal Board

Nor did the Government's continuing threat of "hiving off" activities of the nationalised industries prevent the National Coal Board joining in two of the bidding groups.

In one, headed by Conoco and including Gulf, it successfully bid £1.5m. for block 30/28, close to 30/22; and, in its traditional partnership with Conoco, it also offered the highest bid, at £425,164, for a prospective gas block, 48/15, near the group's Viking field.

BP, which joined in partnership with the German national oil group, Deminex, for the auction, offered a total of nearly £8m. for three blocks and was successful, at nearly £3.4m., in an offer for 15/26, some 20 miles north-west of its recently-discovered Forties oil field.

Other sizeable bids were made for 15/23, for which Texaco offered just over £1.1m.; for block 14/30, which attracted £933,000 from a group headed by the French Total company and including some investment institutions such as the National Westminster Bank

Total, which has been drilling an exploratory well north-east of the Orkneys for some months, also proved the highest bidder for a block near that well, 3/18, with an offer of £51,000.

For the same amount it also put in the highest bid for the most northerly block on offer, 211/17. In both these applications the Total group was joined by the recently-formed Scottish oil investment consortium, Pict Petroleum.

The Phillips group, which was the first to discover commercial quantities of oil in the North Sea, proved the successful bidder, at £637,666, for block 16/27.

The Hamilton Brothers group, which includes Blackfriars Oil and Rio Tinto-Zinc, offered the largest amount, at £671,005, for block 15/24.

Possible conclusions Page 22

News Summary

GENERAL

Lynch strikes back

Premier Lynch, in a strong-worded statement, yesterday flatly rejected Mr. Heath's assertion that Ulster's present troubles were none of Dublin's business.

However, this latest communication produced no reaction in London, where there were signs of a more conciliatory mood following Thursday's angry exchange of telegrams. Mr. Heath decided not to reply to the message and the meeting of the Premiers is still to go ahead as planned on October 21.

'Recall House'

Meanwhile, the Westminster Government was facing a growing prospect of a break in the bi-partisan policy with the Opposition, which yesterday formally renewed its call for Parliament to be summoned to discuss the situation for two days in the first week of September.

In Belfast, the Stormont Government was showing increasing concern at continuing withdrawals from public appointments by prominent Catholics. Sir Harry Tuzo met a Catholic delegation in London-derry yesterday and undertook to consider a number of points raised by them, including calls for an independent inquiry into alleged Army brutality. Back Page 23

Malta moves

Lord Carrington is to return to Malta to-day after more talks with Malta Premier Mintoff on terms for Britain's continued use of military facilities there. Page 15

NATO said it would transfer its Mediterranean naval HQ from Malta to Naples.

Arab federation

Establishment of the Egypt-Libya-Syria federation was formally proclaimed at the end of a Damascus summit. Page 23

Briefly

Mr. Barber, Chancellor of the Exchequer, left London to join his wife on holiday in Corsica.

Lt. William Calley's life sentence for killing 22 Vietnamese civilians at My Lai was reduced to 20 years

Prince Charles received his wings in a ceremony at RAF Cranwell.

Third of the Grundy quins died in hospital at Bolton.

Cricket: Rain prevented play in the final Test at the Oval. Page 21

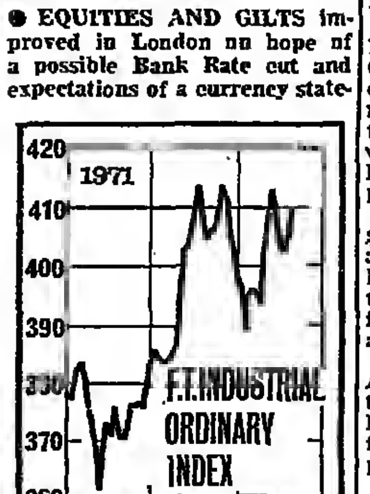
China formally declared it would not join the UN if Taiwan continued to be represented in any form. Page 23

Stung by a wasp a week ago ... hospital at Hemel Hempstead.

BUSINESS

Equities and gilts move up

● EQUITIES AND GILTS improved in London on hope of a possible Bank Rate cut and expectations of a currency statement. Equities' index ended 4.3 up at 409.4—which was 3.2 down on the week. Gilts closed at gains ranging to ½ in mediums.



● GOLD lost 5c at $43.30.

● TREASURY BILL rate rose £0.1036 pc to £5.8288 pc. Page 22

● WALL STREET was quieter; the index ended 0.14 up at 880.91.

● OTHER OVERSEAS stock exchanges were less unsettled.

● GOVERNMENT MOVES on UCS are expected over the next fortnight following Sir John Eden's Glasgow visit. The "embryo Board" of a new Government-backed company based on the Govan-Linthouse complex is likely to be announced early next month. Back Page

● ON THE RB-211 ENGINE any formal protest to the U.S. Government against the import surcharge would have to come first from Lockheed Aircraft, in Whitehall's view. Page 20

● BSC's PORT TALBOT steel plant will have to close next Thursday if the 2,000 white-collar workers on unofficial strike refuse to return, they were warned yesterday. The strikers are to meet on Tuesday. Page 15

● JOHN PETERS (Furnishing Stores), with record pre-tax profit of £1.04m. (£0.82m.) is to pay a final of 15 per cent., making 19 (17). A one-for-five scrip issue is proposed. Page 16; Lex.

● F.T. INDUSTRIAL ORDINARY share index will from Monday be available hourly seven times a day instead of four. The index figures will be included in the F.T. Business News Summary telephone service on (01) 246 8026. Back Page

Disillusion in Brussels

BY ROBERT MAUTHNER, EUROPEAN CORRESPONDENT BRUSSELS, August 20.

THE reaction in Brussels to-day to the failure of the Six to adopt a common position on the international monetary crisis was one of undisguised consternation and disillusion.

In European Commission circles particularly it was felt that the Six had lost a great opportunity not only to take a firm step forward towards the creation of a European monetary union, but to make a positive contribution to a reform of the international monetary system.

Dr. Sicco Mansholt, the veteran Dutch Vice-President of the Commission, said so in no uncertain terms at the end of the meeting in the early hours of this morning. But his words were also echoed by several Ministers of the member States, particularly those of Benelux.

M. Gaston Eyskens, the Belgian Prime Minister, declared after a special meeting of the Belgian Cabinet this morning that it was no use hiding the fact that the meeting had been a failure.

Only Signor Mario Ferrari-Aggradi, the Italian chairman of the Community's Council of Ministers, tried to put a brave face on the proceedings at a post-conference Press briefing.

He said the Six had preferred to fix the broad lines of action rather than to do something hasty, and was convinced that the experience gained would allow them to make progress on September 13, when they are due to meet again.

No-one, however, took this statement at face value, since all the wrangling about details throughout yesterday had made it plain that, until the Six took a break for dinner last night, they all hoped that a common position could finally be reached.

The Community, therefore, has suffered a resounding setback, even more serious than the dis-

Dr. Sicco Mansholt

agreements between France and West Germany at the time of the floating of the D-Mark last May. At the same time, it would be untrue to say that all is lost.

In spite of everything, the discussions did show that everyone present was conscious of the need for the Six to adopt a common position at some time in the near future.

One of the very few positive statements in the communiqué issued after the meeting was that the member-States would take a joint initiative at the International Monetary Fund meeting in Washington at the end of September, with a view to a reform of the International monetary system including a realignment of parities.

There is still an outside chance, therefore, that when the effects of the diversified measures which the Six will now take on their Foreign Exchange markets become clearer after the opening of markets next Monday, a joint solution will be easier to find.

For the rest, the communiqué was decidedly thin in content. It merely stated that the members of the Community were authorised either to float freely or to establish two-tier markets for commercial and financial transactions.

The Council had also decided to instruct the Six's Committee of Central Bank Governors and Monetary Committee to make early proposals on intervention measures which would favour a progressive reduction of fluctuation margins of Community currencies.

As for the substances of the disagreement which finally led to the breakdown of the discussions, this was still very much the same as it has been all along.

In the last resort, it came down to the fact that the French refused to envisage any revaluation of the franc as part of the internal realignment of Community currencies, and treat with extreme distaste any proposals for a system which entailed a joint float.

Continued on Page 25

Rise in cost of living slows

BY DAVID WALKER

THE OFFICIAL cost of living index rose another 0.9 points in July to a peak 155.2 (January, 1962=100) compared with a month earlier.

The latest figure represents the lowest monthly change for some time at 0.58 per cent. against an average of almost double that for the rest of the year.

In June, the index had advanced by 0.7 per cent., the same as in May, following a six-year record jump of 2.1 per cent. the previous month.

On an annual basis, the July figure, published yesterday by the Department of Employment, represents a 10.1 per cent. rise in retail prices since the same month last year.

In June, the equivalent advance had been 10.3 per cent. Despite the apparent slowdown in the rate of increase in the cost of living—the first for six months—the change between the two Julys is still more than in any 12-monthly period in recent times.

It is difficult to draw any conclusions on underlying trends from it, however. Far more significance will attach to the August result, which should be influenced both by the purchase tax reductions at the end of July and any first fruits from the Confederation of British Industry price-pegging initiative.

About 50 per cent. of the items used in compiling the index, according to the CBI, should be affected by that. At the same time, Whitehall estimates have given a 0.75 per cent. drop in the index as the likely result of the tax cuts.

In addition, the July figure has to be seen against the background of previous years before the really rapid onset of price inflation started. Then, seasonal price reductions, particularly on fruit and vegetables, had tended to give a mid-summer lowering or, at the least, flattening out of the index.

This July, the only downward movements singled out by the Department of Employment are reductions in the average price of tomatoes and potatoes.

The principal upward changes involved milk, household coal and coke, and newspapers.

THE £ ABROAD

—	Close Aug. 20	Close Previous
New York Spot	$2.4624-4666	$2.4620-4660
Do. (1 month)	Unavailable	Unavailable
Do. (3 months)	Unavailable	Unavailable
Do. (12 months)	Unavailable	Unavailable

ON OTHER PAGES

BUILDING SOCIETIES

To-day's issue contains four pages (10-13) on Building Societies

CHIEF PRICE CHANGES

(Prices in pence unless otherwise indicated)

RISES

Exchequer 5% '76-78	£90⅝	+ ⅛
Treasury 3½% '79-81	£77¼	+ ⅛
Int. Bank 8% 1976	£102⅝	+ 1½
Adepton	111	+ 7
Aerialite	81	+ 4
Allen (W. G.)	74	+ 5
Austin-Hall	150	+ 15
Barclays Bank	615	+ 12
Bowater	161	+ 5
British Sugar	320	+ 20
Brown Bros. & Alb'y	163	+ 7
Capital & C'ties Prp.	99	+ 5
Courtaulds	131	+ 5
Court Line	135	+ 6
Daleholme	28	+ 4
Drakes	217	+ 9
First Natl. Finance	345	+ 12
Freemans (London)	156	+ 8
Harris (M. P.)	205	+ 7
Hattersley-Stelrad	183	+ 8
Natl. Westm'ster Bk.	605	+ 10
Peek Winch & Todd	115	+ 7
Royal Insurance	407	+ 11
Union Discount	415	+ 15
UDT	211	+ 9
Anglo-Ecuadorian	84	+ 6
British Petroleum	587	+ 7

FALLS

Assoc. Leisure	11	− 3
Bovril	442½	− 21½
Doncaster (D.)	41	− 4
Halwins	253	− 7
Hammond (L.)	100	− 18
Loyds Retailers	27½	− 6½
Buffelsfontein	170	− 38
Charter Cons.	222	− 18
Hamersley	125	− 15
Hampton Areas	98	− 10
Poseidon	950	− 50
Western Holdings	845	− 20
WRIT	770	− 20

U.K. DAILY STOCK INDICES

F.T.-ACTUARIES

	Aug. 20	Aug. 19	Yr. ago
Industrial Group	165.66	165.75	—
500 Share	181.16	180.60	136.63
Div. Yield pc	3.65	3.67	4.75
P/E Ratio	17.61	17.56	14.00
All Share	178.98	178.28	129.51
Consols Yield pc	9.11	9.15	9.24

FINANCIAL TIMES

	Aug. 20	Aug. 19	Yr. ago
Govt. Secs.	75.67	75.47	70.60
Fixed Interest	74.72	74.66	72.26
Industrial Ord.	409.4	405.1	339.0
Gold Mines	53.5	54.0	49.4
Ord. Div. Yield	3.75	3.78	4.91
Earnings Yield	5.86	5.89	6.75
P/E Ratio	17.08	16.98	14.81
Dealings Marked	10,579	10,058	7,704

Industrial Ord. (noon) 409.1

For latest share index phone (01) 246 8026

The week in London and New York

Equities overcome the uncertainties

Although the currency upheaval has dominated the front pages this week, it is difficult to he dogmatic about its impact on share prices so far. Indeed,

TOP PERFORMING SHARES IN FOUR WEEKS TO AUGUST 19

	% rise
Property	5.6
Banks	5.3
Electronics	4.1
Food retailing	3.4
Contracting	3.0
Shipping	2.9
	% fall
All-Share Index	0.8
THE WORST PERFORMERS	
Motors & Distributors	3.0
Oils	4.0
Wines & Spirits	6.8
Tobacco	6.9
Insurance brokers	7.1
Toys & Games	10.7

since there is little use in speculating about the eventual realignment of parities, it is arguable that the market used the events of the week to rationalise what it would bave done anyway. With volume even lower than it had been in the previous couple of weeks, the FT Industrial Index slipped 9.9 points in the first three days, and rallied on Thursday and Friday to finish with an overall fall of 3.2 points at 409.4.

The underlying treod has been rather weaker, with falls comfortably outnumbering rises even on Thursday, and the FT-Actuaries All-Share Index trailing behind the FT Industrial Index over the week.

With the U.S. taking a little over a tenth of total U.K. exports, there is no sense in guessing at the impact on corporate profits until we find out how other currencies are going to settle down against the dollar. Of course, the news meant more for some sectors than for others. The impact on gold and base metal mining shares is discussed elsewhere on this page. As for oils, down 4 per cent. on the week, the fear is that if the Organisation of Petroleum Exporting Countries want to renegotiate their agreements, the companies might find it harder to pass on any extra costs this time round. Countries like Japan, West Germany and Italy were unhappy enough about the last set of price increases, and since then we have bad a whole set of bumper oil company profits.

The 10 per cent. surcharge on U.S. imports will be a trial fur those companies where keen pricing is the key to U.S. sales. BSR was sbarply down on the week, but the big exporters of luxury goods, like Distillers or the pottery companies, escaped with only minor setbacks. Rolls-Royce suppliers were squeezed by the news that the surcharge will apply to the RB-211 engine: granted the surcharge is described as temporary, but the possibility of an extra $300,000 or so per sbip set of three engines—coming after an increase of $548,000 on the original price negotiated back in 1968—is not going to make the TriStar selling job any easier.

Mining machinery upsurge

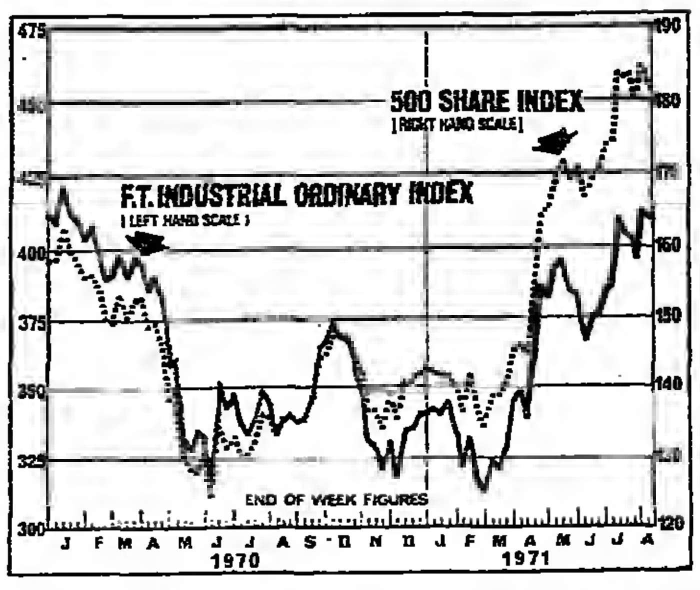
Among the dreary statistics of falling orders and rising unemployment contained in the latest Little Neddy report on mechanical engineering this week, just one sector—mining machinery—stood out like a beacon. In the last two quarters of 1970, net new orders rose by 1 and 42 per cent. In that order: in the first three months of this year, we now have a 38 per cent. rise which leaves orders in hand up by no less then 61 per cent.

Of course, there is already a *rising profits* trend among the machinery manufacturers, with Mining Supplies' 1970-71 profits up by nearly two-thirds and Dobson Park forecasting £3.5m. pre-tax against £2.2m. for the year to October. Moreover, the orders strength is not uniform. Roof supports, Dobson's speciality, are doing very well but Anderson Mavor, which specialises in cutting and conveying machinery, says that although its orders are on a rising trend they do not compare with the industry figures. The final cautionary point is the short production cycles common to the sector, ranging from around a fortnight for Mining Supplies up to perhaps three months for Dobson.

The fact is, however, that Little Neddy is expecting high orders levels both at home and overseas throughout 1971: Mining Supplies' report backed this up over the week with news of a steady rise in turnover so far this year. But the share prices are assuming that the fun is already over, with Mining Supplies on a p/e of 7½, a prospective multiple of around 8 for Dobson, and Anderson Mavor, with loss elimination scope worth roughly 8½p per share, on an historic p/e of 13 at 95p. *Meanwhile,* the National Coal Board says that although there are limits to its orders upsurge, demand has moved up to a new level now that the redeployment of equipment from redundant collieries is over.

One extreme of the TV rental problem

Colour t.v. rental has been one of my hobby horses in recent months and there are no apologies for returning to it via British Relay where the basic argument against investment—high initial costs and financing charges ditto—are emphasised by BRW's low profitability. In the past two years BRW's trading profits have only risen from £5.09m. to £5.43m. which with depreciation and interest up from £3.27m. to £4.22m. leaves a drop from £1.55m. to £804,000 before a nil tax charge. This year the pressure will be relieved by a cut of around £170,000 in SET but the financing requirements, exaggerated by the abolition of the 40 weeks advance rental, are going to be massive. The cut in dividend from 2.25p a share to only 0.75p, from earnings of 2.04p, will only



go a small part of the way towards meeting BRW's funding needs.

Why, then, should the shares close at 44p last night, a drop of only 2½p on the week? The answer may lie in BRW's low profitability and the thought that major shareholders like Reed and ATV (with a little under 16 and 11 per cent. of the equity respectively) may be thinking of ways to unlock the potential in a cash flow multiple of only 3½. If a buyer cannot be found—and Reed is unlikely to part with its stake at anything near this price—then the answer may be some sort of management initiative from Reed, with ATV's support.

Surprise bid for Henry

Surprise bids have their uses for the security-conscious offeror company; but if you are at the receiving end and the bid is a mere 3p over the market price (56½p)—as United Drapery's offer for A. and S. Henry was this week—then you might be excused for feeling miffed about it all. Henry, so far, has kept its cool, merely issuing the usual advice to shareholders to do nothing for the time being. UDS, meanwhile, which said it wanted to prevent speculation, has seen its *tactics come slightly unstuck.* The Henry share price was 72½p last night and the market argument must go something like this: if UDS was prepared to value John Myers, with a potential £20m. of mail order turnover, at some £16m., then £6½m. is short shrift for the £10m. of mail order turnover Henry reported in 1970—particularly as it had over £5m. of additional sales in other divisions. Unfortunately, Henry's bargaining power may be limited by a record of declining earnings over the past five years, and the postal strike which has made rather a mess of the 1971 recovery prospects.

Toy groups after the Lines debacle

Lines' decision this week to go into voluntary liquidation has certainly put the cat among the pigeons in the toy industry. The company, which in 1970 accounted for nearly 30 per cent. of the U.K. companies' share of the home market, has been liquidating its stock position for the past year, a point that has not gone unnoticed by its hard pushed competitors. The fact that this unloading has already been a drag on the toy industry suggests that any new glut of toys forced onto the market—and stocks are normally high at this time of the year anyway—would come as a severe blow.

However, the general feeling from the toy companies is that the various divisions will be split and sold off separately. After all, the strength of Lines' brand names and products has never really been in doubt. If this is the line that the liquidator adopts there is unlikely to be any shortage of takers. Mr. J. R. Bentley, chairman of Barclay Securities, has already been quoted as being keen on the Tri-ang and Pedigree ranges while both Heenan Beddow and Dunbee-Combex told the Financial Times yesterday that they were interested in one or two parts of the group. This, of course, is before the presence of the American companies has been considered. It may be, then, that the threat of a flood of stocks coming on to the market is not that acute.

Onlooker

MARKET HIGHLIGHTS OF THE WEEK

	Y'day	Change on Week	1971 High	1971 Low	
F.T. Ind. Ord. Index	409.4	−3.2	413.2	305.3	Uncertainty over currency crisis
Treas. 8¾% 'A'	£96	+½	£96	£94½	Hopes for Bank Rate cut
Associated Food	91	−19	113	76½	Disappointing annual results
BSR	330	−33	386	223½	U.S. 10% import surcharge
Botswana RST	210	−40	490	200	Cost estimates rise
British Petroleum	587	−31	628	403	Fears of higher OPEC prices
Buffelsfontein	170	−60	330	170	Sharp dividend cut forecast
Drakes	217	+20	222	74½	Good "new-time" demand
General Steam Nav.	610	+110	610	420	Revaluation surplus: bid hopes
Henry (A. & S.)	72½	+16	72½	31	Bid from Utd. Drapery Stores
Honda (E.D.R.)	115	−55	177½	92½	U.S. economic measures
Kier (J. L.)	147	+17	147	76½	Hopes of Fleet tube line contract
Lamson Inds.	87	−11	104	77½	Disappointing interim results
Lines Bros.	4	−23	43½	2	Proposed liquidation
Lucas (Joseph)	253	−15	272	156	No surcharge exemption for RB-211
Reardon Smith 'A'	50	−15	84½	50	Reduced int. div. and profits
Royal Ins.	407	+15	407	265	Cheering first-half results
Sony Co.	400	−80	552	260	U.S. economic measures
Vaal Reefs	520	−50	585	460	Disappointing bullion price
Wharf Hldgs.	227	+11	247	107	Bid from Sterling Guarantee

A mad Monday

BY JUREK MARTIN

IT WOULD have been pleasant to have been able to write that this was a nice, normal summer week on the Stock Markets, when most of the habitues of Wall Street wore away concentrating on the really serious things of life, such as their golf swings, or their chrysanthemums or the books they had forgotten to read all year.

President Richard Milhous Nixon, however, completely spoiled that pleasure at nine o'clock, East Coast time, on Sunday night, in that relaxing half hour between the end of dinner and the start of episode three of "The Six Wives of Henry VIII."

Mr. Nixon, with scant regard for the viewing and digestive habits of the nation, went on television to say, all in one great gulp, that the dollar-gold convertibility was being suspended, that there would be a 90-day wage-price freeze, and that there would be all sorts of tax incentives and a 10 per cent. border tax to haul the country out of its economic morass.

As the world now knows, Mr. Nixon sent Wall Street quite mad. Monday was an historic day: it was the 1929 crash, John Kennedy's assassination, Lyndon Johnson's resignation all over again, redoubled in spades. It is very important to realise that Monday was a completely insane day: all the time-honoured rules and the chart books went flying out of the window. No one knew quite what was happening, except that there was one thing to do—buy, buy, buy and buy again. It produced the first "30 and 30 day" in Wall Street history: the Dow went up 32.93 points, the most ever in one day, while volume soored to 31.73m. shares, another record.

There were few cool heads on Wall Street that day. Assessments of whether the President's plan would work were hard to find. All that seemed to matter is that after 2½ years of ineffectual fiddling around with the economy he had at last "done something." To be sure, some of the parts of Mr. Nixon's package were things that Wall Street had come to believe in anyway. But putting them all together, as Mr. Nixon did on Sunday night, was quite simply overwhelming.

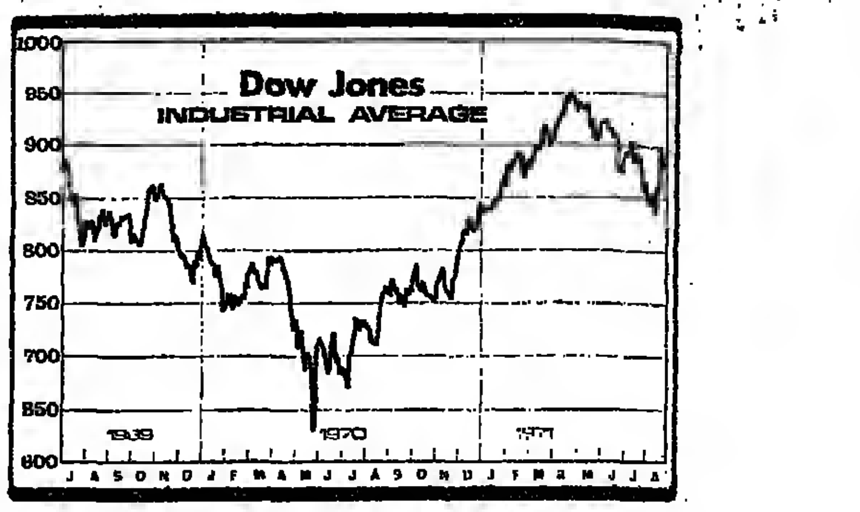
There was some underlying logic in the Monday madness. The shares that were in the greatest demand (in some cases in such demand that trades were not possible until Tuesday) were those which would most obviously benefit from the package. This meant generally blue chips and glamours and specifically the shares of car companies (in a better competitive position vis-a-vis the imports), textile and steel companies (for the same reason plus other tax bonuses), machine tool companies and some of the really chic glamours (IBM, Bausch and Lomb and so on).

The market, in fact, loved more than 1,600 NYSE shares—it disliked only 107, but this small group of decliners was revealing: it included shares of foreign companies, gold stocks and international oil companies (whose relations, the market reckoned, with the oil producing countries could be really damaged by a change in the dollar's parity).

The first glimmer of rationality began to return on Tuesday when some serious profit-taking got under way. This was still not enough to deter the overall enthusiasm: the Dow went up nearly 11 points, 26m. shares changed hands (the third best ever), and nobody except the most literally minded chartists seemed in the slightest bit disturbed when the Dow failed to penetrate, other than briefly, the 900 mark.

Indeed, now that profit-taking had become a factor, just about everyone predicted that the nearly 44 points gains of Monday and Tuesday would have to be eroded on Wednesday. The forecasts were accurate. The Dow lost nearly 14 points and trading slackened off to 20m. shares. Thursday was the same, only quieter, the Dow lost 5.40 but volume was under 15m. shares.

While on Friday the market steadied before the week-end with the Dow up 0.14 on the day at 880.91, for a net rise of 24.89 on the week. The general public had come out of its long hibernation to help the institutions move things merrily along. It wasn't a dull week.



MINES IN THE NEWS

Cry no more for metals

BY KENNETH MARSTON

UNCERTAINTY laced, as it often is, with a fair amount of gloom has unsettled both Mining share and commodity markets this week following President Nixon's dollar crisis measures. Details of exactly how the measures will be applied are awaited just as in the U.K. a Chancellor's Budget proposals are subsequently made more clear by a Finance Bill. But we can try to get down to brass tacks as far as mining investors are concerned.

The U.S. measures which most affect them are the proposed tax of 10 per cent. on imports into America with the exception of certain oil, food and textile products; the suspension of convertibility of dollars into gold; and the expectation that currencies of certain other countries, notably the U.K. and Japan, will have to be up-valued against the dollar.

Boosting demand

Now the first thing to be borne in mind is that the underlying reason for the fall in base metal prices over the past few months has been the slowing down in the U.S. economy. The country is the world's biggest consumer of metal and when its voracious appetite is allowed to slacken nickel, and platinum, *for examples,* suddenly move from shortage to over-supply and their free-market prices go down accordingly.

On the other hand the country's economy has an underlying strength which is often forgotten when we look at the decidedly shaky dollar. And the latest measures are specifically designed to fan the embers of that economy into bright flames again. There is little doubt that they will succeed to a degree, in the short term anyway, as this week's boom on Wall Street suggests.

Thus American demand for imported metals bids to be increased. The country's imports of manufactured goods, however, will be deterred by the import surcharge. Americans are likely to buy more cars, but they will find it cheaper to plump for those produced in Detroit—which is not very cheering for Volkswagen and all the rest of the exporting car brigade.

But no matter where a car is produced, it still needs metal and whatever the difficulties of the exporters the chances are that world car production which is dominated by the U.S. is likely to show an overall increase. And this also applies to must other manufactured goods which are demanded by the mighty U.S. market.

Diamonds, too

So there should be increased sales of, for example, Canadian and Australian nickel, Zambian copper, South African platinum and antimony. And in a more buoyant economy the daughters of the U.S., who are not noted for being slow in coming forward, may well nudge their spouses, as they say, in the direction of those emporia which sell South African diamonds.

Let us not be carried away. The extent to which the U.S. economy is going to be reflated remains to be seen. It may not be all that exciting and there is also the question of the coming realignment of currencies, which could take some of the cream off higher base metal prices when they are translated into profits in the currency of the mining companies' headquarter countries.

You will have noticed that despite what I reckon to be a bullish, rather than a bearish outlook, prices of tin, lead, zinc and copper have fallen this week on the London Metal Exchange. Metal markets are very thin at the moment: engineering works are closed for holidays and transatlantic business is largely cut off from London because with foreign exchange markets closed the overseas traders lack exchange cover.

Consequently, price movements can be exaggerated in nervous conditions. And it has been realised that if the pound is allowed to float it will strengthen against the dollar and therefore a ton of copper, say, will fetch less in pounds here and more in dollars in the U.S. Even so, I still feel that with higher sales the base-metal producers will be better off and this is not the time to sell their shares.

Iron ore fears

The major exception to this is the Australian iron ore industry which relies heavily on the Japanese market. After years of virtually uninterrupted growth the Japanese steel mills have slowed down. One estimate I have heard is that instead of the 110m. tons earlier predicted, this year's steel output in Japan may fall to around 88m. tons from 98m. tons in 1970.

Already feeling dispirited, the Japanese are understandably worried, as a major exporting nation, about the effects of the *proposed* U.S. import surcharge and the expected revaluation of the Japanese yen; the latter will, of course, mean that after cutting profit margins in order to compete in the U.S. market, Japan's resultant dollar earnings will buy less yen when remitted home.

Contracts for Australian iron ore exports to Japan are priced in U.S. dollars which, depending on how currencies line up, could mean lower earnings in terms of Australian dollars. On the other hand, the Australian mine's loan repayments are also in U.S. dollars which is a helpful factor.

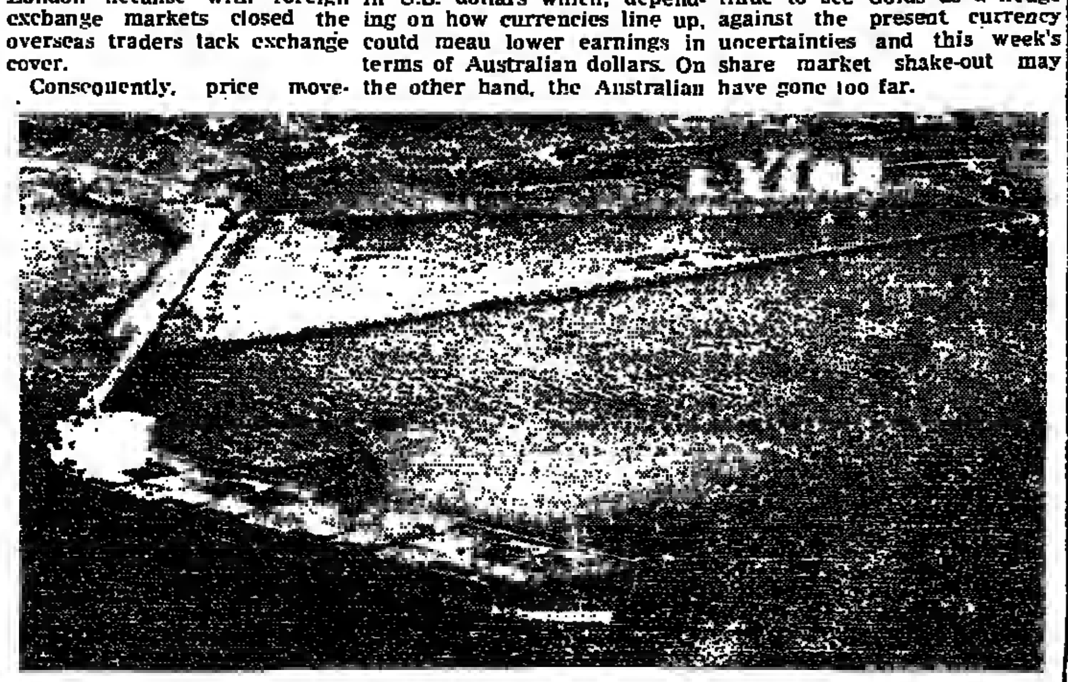
The big question is whether the Japanese will have to ask the Australians for a reduction in iron ore deliveries, possibly through a stretch-out of contracts as was done with the Canadian uranium producers. Although the U.S. will need more iron ore, there is a huge surplus of capacity in the world and much of it is closer geographically to the U.S. than Australia. So there is not much chance of diverting Australian *ore from Japan to the U.S.*

Gold enigma

Finally, gold remains something of an enigma. The free market price has been uninspiring this week and the share market has been unsettled by America's comment that gold now has a diminishing role in the world monetary system. But not, apparently, to the point at which U.S. and many other citizens are allowed to purchase it.

If, however, it is now to be regarded largely as a commodity alone—and this is very debatable—the rising industrial uses may well justify the current market price, which is only about 20 per cent. higher than the level fixed back in 1934.

Meanwhile, those who do not share the U.S. view may continue to see Golds as a hedge against the present currency uncertainties and this week's share market shake-out may have gone too far.



An iron ore carrier loads at Dampier in Western Australia. Shipments from the Rio Tinto-Zinc group's Hamersley operation now amount to 37.8m. tons in a little over five years. Their value up to end-1970 was $361m. (£168m.).

TV/Radio

*Indicates programme in black and white.

BBC 1

11.20 a.m. Week-end Weather. 11.25 Cricket: Third Test Match, England v India.
12.45 p.m. Grandstand: 12.55 Football Preview: 1.15, 2.20, 2.55, 4.30 Test Cricket: England v India; 1.35, 2.05, 2.35 Racing from Haydock Park; 2.55, 4.30 Motor Racing from Oulton Park; 3.45 Rugby League: Yorkshire Cup Final; 4.55 Results Service.
5.20 Walt Disney's Wonderful World of Colour.
6.05 News.
6.15 Great Zoos of the World: part 7: Basel, Switzerland.
6.45 Saturday Western: "Where the River Bends," starring James Stewart with Arthur Kennedy, Rock Hudson and Julia Adams.
8.15 It's Lulu.
9.00 A Man Called Ironside.
9.50 News.
10.05 Match of the Day.
11.05 Parkinson: Michael Parkinson and guests.

All Regions as BBC 1 except at the following times:

Wales—*10.30-10.50 a.m. Cadi Ha. *11.25-12.45 p.m. Cricket: County Championship, Glamorgan v Somerset (shared with Test BBC II and in Grandstand 12.45-5.20 p.m. *6.15-6.45 Tony Ac Aloma. 10.45-11.05 Match of the Day.

Scotland—*5.05-5.20 p.m. Sportsreel. *10.05-10.40 Sportsreel. 10.40-11.05 My World and Welcome To It. *11.52 Scottish News Headlines.

Northern Ireland—*5.10-5.20 p.m. Sports Results and News Summary from Northern Ireland. *11.50-12.10 a.m. Sports Final, followed by Northern Ireland News *Headlines.*

BBC 2

3.05 p.m. Saturday Cinema: "Loser Takes All," starring Rossano Brazzi, Glynis Johns with Robert Morley, Tony Britton.
4.30 Cricket: Third Test Match, England v India.
7.30 News, sport and weather.
7.45 The Codebreakers; part 7.
8.15 Cousin Bette: part 3: Delilah and Her Handmaid.
9.00 Chronicle.
9.50 Knokke 1971; part 2.
10.35 Film Night.
11.05 News on 2.
11.10 Mid-night Movie: "Salome, Where She Danced," starring Yvonne De Carlo and Rod Cameron, with Albert Dekker.

LONDON

11.20 a.m. RAC Road Report. 11.25 Farmhouse Kitchen. 11.50 Thunderbirds. 12.45 p.m. News from ITN.
12.50 World of Sport: 12.55 On the Ball; 1.20 They're Off! 1.30, 2.00, 2.30 and 3.00 Racing from Lingfield. 1.45, 2.15 and 2.45 Racing from Newmarket; 3.10 International Sports Special: European Diving Cup from Crystal Palace; 3.55 Results, Scores, News; 4.00 Wrestling; 5.00 Results Service.
5.10 Catweazle.
5.40 Albert and Victoria.
6.10 News from ITN.
6.15 No, That's Me Over Here.
6.45 The Des O'Connor Show.
*7.45 Nearest and Dearest.
8.15 "Robbery Under Arms," starring Peter Finch, Ronald Lewis, Maureen Swanson and David McCallum.
10.00 News.
10.10 The Guardians.
11.10 The Best of Aquarius: Thoroughly Modern Melly.
11.40 Manhunt.
12.40 a.m. News To Me.

All ITV Regions as London except at the following times:

ANGLIA

12.15 p.m. All Our Yesterdays. 5.10 U.F.O. 6.15 Albert and Victoria. 6.45 The Comedians. 7.15 Des O'Connor Show. 8.15 "Sea Fury" starring Stanley Baker, Victor McLaglen and Luciana Paluzzi. 11.10 Marcus Welby M.D. 12.10 a.m. Christians in Action.

ATV MIDLANDS

12.10 p.m. To-morrow's Horoscope. 12.15 Joe 90. 5.10 Lost in Space. 6.15 The Odd Couple. 6.45 Saturday Feature Film: "Seven Hills of Rome" starring Mario Lanza. 8.25 The Smith Family. 9.00 Des O'Connor Show. *11.10 Whiplash. 11.40 Popeye. *11.45 Personally Speaking: Douglas Hyde.

BORDER

11.50 a.m. The Forest Rangers. 12.15 p.m. All Our Yesterdays. 5.10 On The Buses. 5.40 The Smith Family. 6.15 Border Sports Results. 6.20 Feature Film. "Hell Drivers" starring Stanley Baker, Herbert Lom, Peggy Cummins and Patrick McGoohan. 8.00 Des O'Connor Show. 9.00 The Guardians. 10.10 Theatre of the Stars. 11.05 Pursuers.

CHANNEL

5.15 p.m. The Man from UNCLE. 6.15 The Comedians. 6.47 Saturday Film: "A Guy Named Joe." 9.00 Des O'Connor Show. 11.10 Strange Report.

GRAMPIAN

12.30 p.m. The Adventures of Twizzle. 5.15 UFO. 6.15 Whittaker's World of Music. 7.00 Saturday Film: "Woman of Straw," starring Gina Lollobrigida, Sean Connery and Ralph Richardson. 9.00 Des O'Connor Show. 10.10 The Odd Couple. 10.40 Match Report. 10.55 The Guardians.

GRANADA

11.55 a.m. *Stingray.* 12.20 p.m. Spiderman 5.10 UFO. 6.15 The Bugs Bunny Show. 6.30 The Sky's the Limit. 7.00 Hogan's Heroes. 7.30 Des O'Connor Show. 8.25 From A Bird's Eye View. 9.00 Hawaii Five-O. 11.10 The Greatest Show on Earth.

HTV

12.10 p.m. Bush Boy. 12.40 To-morrow's Horoscope. 5.10 The Flintstones. *6.15 Saturday Cinema: "Never Let Me Go," starring Clark Gable and Gene Tierney. 8.00 Des O'Connor Show. 9.00 Department S. 11.10 Cinema.

SCOTTISH

12.15 p.m. Phoenix Five. 5.10 Cowboy in Africa. 6.15 The Smith Family. *6.45 Saturday Action Movie: "Kid Rodelo" starring Don Murray, Janet Leigh, Broderick Crawford and Richard Carlson. 8.30 *On the Buses.* 9.00 Des *O'Connor* Show. 10.10 The Comedians. 10.40 Match Report. 10.55 The Guardians. 11.55 Late Call.

SOUTHERN

12.15 p.m. All Our Yesterdays. 5.15 The Man from U.N.C.L.E. 6.15 The Golden Shot. 7.05 Doctor at Large. 7.35 Jokers Wild. 8.05 The Des O'Connor Show. 9.00 Saturday Film (Part 1) "Son of Dracula" starring Lon Chaney Jr. 10.10 Saturday Film (Part 2). 10.45 Southern News. 10.55 The Guardians.

TYNE TEES

*11.30 a.m. All Our Yesterdays. 12.00 Cartoon Carnival. 12.15 p.m. H.R. Pufnstuf. 5.10 Bonanza. 6.15 Popeye. 6.20 Saturday Comedy Film: "The Man in the White Suit," starring Alec Guinness and Joan Greenwood. 8.00 Des O'Connor Show. 9.00 The Guardians. 10.10 The Comedians. 10.40 Marcus Welby, MD.

ULSTER

12.15 p.m. Woobinda. 5.10 The Greatest Show on Earth. *6.15 The Saturday Picture: "You Must Be Joking," starring Terry-Thomas, Michael Callan, Lionel Jeffries and Bernard Cribbins. Hawaii Five-O. *8.55 Ulster Sports Results. 9.00 Des O'Connor Show. The Comedians. 10.40 Marcus Welby M.D.

WESTWARD

11.50 a.m. All Our Yesterdays. 12.15 p.m. Mr. Piper. 5.15 The Man from UNCLE. 6.15 The Comedians. Saturday Film: "A Guy Named Joe" starring Spencer Tracy, Irene Dunne, Van Johnson. 9.00 Des O'Connor Show. 11.10 Strange Report. 12.05 a.m. Faith For Life.

YORKSHIRE

11.30 a.m. All Our Yesterdays. 12.00 Cartoon Time. 12.15 p.m. H. R. Pufnstuf. 5.10 Gunsmoke. 6.15 Cartoon Time. *6.20 Saturday Film Comedy: "The Man in the White Suit," starring Alec Guinness and Joan Greenwood. 8.00 Des O'Connor Show. *9.00 Division 4. 10.10 The Comedians. 10.40 The Guardians.

RADIO 1 247m

Time checks, *up-to-the-minute traffic* reports, and News summaries at 5.30 a.m., 6.00, 6.30, 7.00, 7.30, 8.00, 8.30, 9.30, 10.30, 11.30, 12.30 p.m., 1.30, 3.30, 4.30, 5.30, 6.30, 7.30, 10.00, 11.00, 12 midnight, 1.00 a.m., 2.00. Weather at 5.32 a.m., 6.02, 6.32, 7.02, 7.32, 8.02, 8.32, 6.32 p.m., 2.02 a.m.

5.30 a.m. As Radio 2. 8.32 Ed Stewart with Junior Choice. 9.55 Noel Edmonds. 12.00 The Rosko Show. 2.00 p.m. Scene and Heard: Johnny Moran. 3.00 Vivian Stanshall's *Radio* Flashes. 5.00 Terry Wogan. 6.00 Mike Raven. 7.32 p.m. until 2.02 a.m. Radio 1 joins Radio 2.

RADIO 2 1,500m; VHF

News summaries at 5.30 a.m., 6.00, 6.30, 7.00, 7.30, 8.00, 8.30, 9.30, 10.00, 11.00, 12 noon. 1.00 p.m., 2.00, 6.00, 7.30, 10.00, 11.00, 12 midnight, 1.00 a.m., 2.00. Weather at 5.32 a.m., 6.02, 6.32, 7.02, 7.32, 8.02, 8.32, 6.02 p.m., 2.02 a.m.

5.30 a.m. News. 5.32 Breakfast Special. 8.27 Racing Bulletin. 8.32 Ed Stewart with Junior Choice. 9.55 For Younger Listeners. 10.02 Joe Henderson introduces Melody Time. 12.02 p.m. Dick Emery says That's Showbiz. 1.02 This is the Radio Orchestra. 2.02 Sport on 2: 2.02 Line-Up; 2.08; 2.35; 3.25 Golf: Benson and Hedges Golf Festival; 2.12; 2.42; 3.10: Racing from Haydock Park; 2.20; 2.38; 3.25; 4.50 Cricket: County Championship: 2.20; 2.38; 3.25; 4.42 Oowls—*Middleton Cup Final: 2.28; 2.50; 3.20;* 4.54 Motor Racing: Rothman's International Gold Cup; 2.55 Rugby Union: A Pride of Lions—return of the successful British Isles Touring Team; 5.45 Association Football; 5.00 Sports Report. 6.03 Listen to the Band. 6.30 Take Your Partners. 7.28 Sports Desk. 7.32 Country Meets Folk. 8.30 Star Sound. 9.00 European Pop Jury. 10.02 Ray Moore's Saturday Night from Monaco. 12.00 Midnight Newsroom. 12.05 a.m. Night Ride. 2.00 News.

RADIO 3 194m, 464m; VHF

8.00 a.m. News. 8.05 Aubade: Johann Strauss, Josef Strauss, Scharwenka, Lyadov, Prokofiev, Shostakovitch, gramophone records. 9.00 News. 9.05 Master Works: Berg, Strauss, Mahler, gramophone records. 11.00 The Week ahead. 11.25 Test *Match* Special: England v. India: 11.25-1.35 including summary: 1.35-1.40 news: 1.05-1.50 scoreboard: 1.50-2.10 Your Letters Answered: 2.10-4.20 and 4.30-6.40 including summaries. 6.40 p.m. Recital: Beethoven, Hindemith, Barber, Tchaikovsky. 7.30 The Proms: Part 1: Haydn, Schumann, Beethoven. 8.30 Personal View: talk. 8.50 The Prom: Part 2: Rubbra, Dvorak. 9.55 Taverner: discussion. 10.00 Liszt on a gramophone record. 11.30 News Summary.

RADIO 4 330m; VHF

6.25 a.m. News Summary. 6.27 Farming To-day. 6.45 Outlook. 6.50 Regional news and weather. 7.0 News. 7.10 On Your Farm. 7.00 Today's Papers. 7.45 Outlook. 7.50 Regional News and weather. 8.00 Today: magazine. The news. 8.45 Today's Papers followed by more of Today. 8.59 Weather. 9.00 News. 9.05 Saturday Briefing. 9.05 From our own correspondent. 9.30 The Weekly World. 9.45 Talking Politics. 10.15 Daily Service. 10.30 Study on 4. 10.30-12.00 p.m. on VHF Open University. 12.00 Sports Parade. 12.25 Forces' Chance. 12.55 Weather and programme news. 1.00 One O'Clock News. 1.15 Does the Team Think? 1.45 Afternoon Theatre. 3.00 Weekend Woman's Hour. 4.00 Film Time presents John Schlesinger. 4.30 Pick of the Week. 5.25 The Twelve Maidens. 5.55 Weather and programme news. 6.00 Six O'Clock News. 6.15 Letter from America. 6.30 Sports Session. 7.00 Desert Island Discs. 7.30 Roy Hudd's Vintage Music-Hall: The Era of Lino-Comique 1860-1870. 8.30 Saturday Night Theatre. 9.58 Weather. 10.00 Ten O'Clock News. 10.10 My Kind of Music: Katherine Whitehorne with records. 10.50 Lighten Our Darkness. 11.05 Late News.

TV Top 20

Week ending August 15.

1	Coronation Street (Monday)	Gran.
2	Never Mind the Quality Feel the Width	Thms.
3	Public Eye	Thms.
4	Coronation Street (Wednesday) ...	Gran.
5	News at Ten (Wednesday) ...	ITN
	The Sky's the Limit	Yorks.
7	The World of Whicker	Yorks.
8	Opportunity Knocks	Thms.
9	The Sinners	Gran.
10	You're Only Young Twice ...	ATV
	News at Ten (Monday)	ITN
12	Armchair Theatre	Thms.
	9.50 p.m. News (Saturday)	BBC
14	Alexander the Greatest	ATV
	It's a Knock-out	BBC
16	9 o'clock News (Thursday) ..	BBC
17	9 o'clock News (Friday)	BBC
18	Kate	Yorks.
	A Man Called Ironside	BBC
20	Moscow State Circus	BBC

Figures compiled by Audits of Great Britain for the Joint Industry Committee for Television Advertising Research.

هكذا من الأصل

Your savings and investments

More money is being spent on eating out

BY STANLEY GUYER AND WILFRID PICKARD

AMERICAN visitors to this country have had the novel experience this week of finding the dollar an unwanted currency, and being offered less for it than they had expected. This came as a nasty shock to many of them and could bring some check to the number that annually cross the Atlantic.

It is, however, unlikely to bring the tourist boom to a halt as although sterling may become dearer for Americans it could get cheaper for Europeans. And to the extent that European currencies may get dearer in terms of the dollar than sterling it could do this country some good.

Hoteliers and caterers are still likely to operate in a growth industry. Catering has recently been seeing the strong upward trend of demand running at a rate of about 8 per cent. a year with above average figures for licensed hotels. This continues a trend that has been accelerating since the mid-1960's.

The change from a relatively static to an expanding trade stems from major reorientation of restaurant facilities. And no company has appreciated the importance of this more than J. Lyons whose public image—and profitability—has been materially upgraded. Earnings per share on the "A" Ordinary have more than doubled since 1967 from 10.2p to 26p from turnover that has increased by 40 per cent. Earnings on capital employed have been virtually maintained notwithstanding a long awaited property revaluation that added £25.6m. to assets bringing the total to £131.5m.

So although the share price has come up since the shares were last discussed in this column in February by 29 per cent. to 515p this has done no more than keep pace with events. The shares are still not discounting too much on a 20.6 p/e multiple and a 2.7 per cent. yield.

By comparison Wheeler's Restaurants is a minnow—or whitebait—but one that has done very well since coming to the market in September, 1968, at the equivalent of 84p. Profits, before tax have risen from £98,000 in the last year prior to the issue to £154,000 in the year to March last and the dividend in two years has been stepped up from 25 to 52½ per cent.

But the share price has risen less than 20 per cent. to 100p and although the market in the shares is narrow the 5.2 per cent. yield and 11.3 p/e does Wheeler's less than justice.

WHAT THE BROKERS SAY

THE PROPOSED rights issue by BOVIS could provide a buying signal for the shares. After five years of rapid growth, 1971 is likely to be a period of consolidation for the group, leading to renewed expansion in 1972 onwards. That is Greenfell and Co.'s assessment of the company and the basis for their recommendation. Of a total turnover amounting to some £97m., construction represented £80m., housing £11m. and property £4m.

Whisky in the U.S.

Discussing the impact of the American import surcharge on Scotch whisky sales in the latest of their bulletins, Fielding Newson-Smith is not unduly worried about the adverse effect because the "American consumer is not highly price-sensitive in this market," nor is the broker over-much concerned about the possibility of another longshoremen's strike. More serious in the long term is the growing sale of Canadian whisky in the U.S., which increased last year by 10 per cent. against only 5 per cent. for Scotch; and the impact of the lighter whiskies that will reach maturity next year onwards. DISTILLERS is preferred to IDV.

Quickly off the mark, Myers and Co. issued their assessment of post-Nixon stock markets on Monday. The strongly protectionist measures were necessarily seen as making it harder for British exporters to the U.S., notably cars. But the boost that these measures will give the American economy is already seen to be good for Wall Street and this should have favourable medium-term implications for our own market.

Selling signals

A sign of the times is the increasing appearance of selling recommendations by brokers. When the market has been through a period of recovery as we have just experienced there will always be cases where a switch of investment should be beneficial. Stirling and Co. thinks that SMITH AND NEPHEW will only produce growth of around 10 per cent. in future and advise a sale of the shares.

More generally, George Henderson believes that the time has come for a change of emphasis out of stores. House of Fraser, Sears Holdings, United Drapery and most breweries with Allied and Bass Charrington being particularly vulnerable. The broker suggests switching into selected building, electrical and engineering stocks.

Chemicals in Europe

WITH THE possibility that sterling will not revalue to the same extent as European currencies relative to the dollar, the British chemical industry could ultimately gain from the currency upheavals. Effective devaluation will give U.K. companies an additional competitive edge which will help their expansion in Europe.

The growth rate of chemicals in Britain has been slowed down by the poor economic experience in this country. Assuming entry into the EEC is confirmed the industry should be able to approach Europe's 15 per cent. annual increase against our meagre 5 per cent. level. Clearly over the next few years ICI should move ahead more quickly. As the tariff walls come down feedstocks will be sent in increasing quantities to its European plants.

Also last year's 36 per cent. growth of exports largely to Europe provided the main source for Yorkshire Chemical's 5 per cent. rise in turnover. In contrast sales in the U.K. were only 20 per cent. higher. The tight control on costs resulted in wider margins, despite higher costs. And pre-tax profits rose by 47 per cent. to £1.16m.

Formerly called Yorkshire Dyeware and Chemical, the group's interests are mainly in providing dyes for the textile industry. Here its greatest expertise is in man-made fibres, where world consumption estimates suggest growth of two and a half times during the present decade. Although the shares have more than doubled this year, with p/e of 16.4 at 230 they are still full of promise.

After a 16 per cent. rise in pre-tax profits in 1970, the pace quickened for Hickson and Welch (Holdings) in the first half of this year when they surged ahead by 31 per cent. The organic chemical side has been progressing well, and the timber preservatives have room for expansion. With the upturn in building activity the construction materials subsidiaries should be experiencing better trading.

Exports are a major area of growth, although the greatest proportion has been to Commonwealth countries. However, there is a large sale in Europe, which should become increasingly important. The contract with Dupont could bring big expansion in production of herbicides. At 432p the price earnings multiple of 23.4 seems to be taking a long view. But accepting a prospective p/e of 19, and the rosy outlook a higher price appears justified.

Although Thursday's interim from Anchor Chemical produced only a slight improvement in pre-tax profits to £112,800 (£108,800), it appears to mark a turning point from the previous decline. The chairman has reiterated his forecast of a satisfactory increase in earnings for the year.

Progress has been most evident in the new Italian subsidiary, and in Anchor Chemical Developments that takes in plastic blow moulding. A range of plastic containers is being produced to Dutch design. With improved cost control, and extended capacity under way the 1967 profit level of £300,000 could be attainable within the next two years. Given a prospective p/e of 16.4 over this time scale the shares are not dear at 82p.

N BRIEF

NE OF the select band of mpanies which are finishing is week higher than they were st is Inchcape and Co., the erchanting group whose interests spread from the Caribean to the Far East. An gressive take-over policy has ished pre-tax profits up more an fivefold in five years and rnings per share from 8p to .3p. The shares are one of the London quotations giving a major stake in the rapidly expanding economies of Malaysia, Singapore and Hong Kong. At 404p the rating is a forward-looking 20 p/e and the yield 2.5 per cent. but is not setting its sights too far ahead.

Healthy demand enabled Boardman Marden, manufacturer and importer of textiles and clothing to improve pre-tax profits by 63 per cent. last year to £343,000. Earnings a share could rise to 1.3p in 1970-1971 as benefits from the Canning and Wildblood acquisition become apparent. At 10½p the shares yield 7.6 per cent., and the prospective p/e of 8.5 seems to pay too much attention to the previously declining record and the £133,600 overstatement of profits in previous years.

AR EAST INVESTMENTS

Spotlight on Hong Kong

BY JAY PALMER

THOUGH LAST WEEK'S 4½ cent. fall in the FT rubber lex is the first decisive downrd movement for many eks, it is not all that surpris- considering the 15 per cent. np two weeks ago after Sime rby's bid for Seafield. Conering that even at the rent level the sector is still ly 35 per cent. above its l low (and 58 per cent. ve its level a year ago) and ding an all-time low of 8 per t., there seems a good chance the present bear reaction not yet exhausted. Against the tea index moved ginally better and the Allre index slipped 4½ per cent. n the whole the U.S. econo- measures have had no ct effect on either comity shares or prices. With primary products as ber, palm oil and wool mpt from the 10 per cent. harge in their raw form, general feeling was that the tion would be determined the long-term success or re of the measures in lerating the U.S. economy. the measures do prove a ss—especially in relation e U.S. domestic economy— difficult to see them having ing but a bullish effect on rubber price. American and is probably the single important factor in the ral rubber market, so while etic rubber should also ve a boost, the natural er price is likely to go r in the medium-term. will be none too soon given over the past week the has fallen another ½p to a kilo, only ½p above the ar low.

hough the palm oil market een closed since the dollar blow up (the price closed week at £113 a ton), it seems that the underlying trends are looking stronger. With consumer demand showing a definite trend towards margarine and away from butter, many producers are looking for even higher palm oil prices in the future.

The most immediate dramatic effect of the regulations is likely to bit the wool price. It seems that although last week's Australian budget set out a scheme to insure a minimum return to producers, the U.S. 10 per cent. surcharge will result in a sharp fall off in Japanese demand for wool. So with wooltops 64s warp currently standing at a 25-year low of 89p a kilo, no one is looking for an immediate recovery.

Eastern Asia

Until recently it has been difficult to obtain a stake in the tightly held Eastern Asia Navigation Company, which under the guidance of Hong Kong millionaire Y. K. Pao, has expanded at a remarkable rate in recent years. Indeed the YK group is rapidly emerging as one of the world's largest shipping empires; the present fleet totals some 800,000 dwt tons and vessels under construction (of which a large percentage are Very Large Crude Carriers) will increase this to over 3m. dwt tons by 1975.

All the ships under construction are being built on fixed-price contracts and most of these were negotiated during a period of comparatively low costs. While the majority are being built in Japan, the Board had the foresight to protect themselves against possible yen revaluation by arranging its current charters to insure that sufficient income is received in yen to service all its contract obligations.

In July EAN had a 1 for 4 rights issue and the group of shipping and investment companies headed by Y. K. Pao (who was believed to hold about 90 per cent. of the equity) used part of their increased holding to widen the market in the shares. Under the new arrangements, they will still hold about 65 per cent. of the capital.

The issue was underwritten by the Hongkong and Shanghai Bank and around 5m. shares have been placed, a substantial part in London, with institutions by three Hong Kong orientated brokers, Astaire, W. I. Carr and Vickers da Costa. London dealings are expected to start next Monday.

The latest results—for 1970-71—show another jump in profits from HK$17.6m. net to over HK$21m., an increase of 19.5 per cent. For 1971-72, the group has forecast dividends of 35c a share with another increase to 40c in 1972-73. At the current London price of 60p, the shares look attractive on a historic p/e of about 24 and offering a prospective 1972-73 yield of over 5 per cent.

Merchant traders

London brokers Vickers, da Costa and Co. have produced an excellent review of three Hong Kong merchant traders, Jardine Matheson, Wheelock Marden and Hutchison International. Backed by a mass of information, Vickers conclude that while they "would recommend any of these stocks at the right price" they think there is a good case for switching out of Jardine into Hutchison or Wheelock at the current levels.

Although the roots of the three companies all lie in trading, they have in recent years branched out in different ways. Jardines has an extremely strong hold on HK business activity with interests extending throughout the whole business spectrum. Recently, however, the group has also concentrated on other parts of the Pacific—especially Australia. Wheelock Mardeo has tended to move away from its conventional trading base, concentrating on highly technical products with strong back-up organisation. Hutchison is a comparative newcomer to the scene and to date its interests have been focused on Hong Kong as a matter of deliberate policy.

Looking at the respective earnings figures of the three companies, one is struck by the consistency of growth from Jardine, the absence of growth from Wheelock and the recent surge in Hutchison. Even with the lack of uniformity, all three companies have a good deal of potential left. Vickers suggest that Jardine will achieve a 15 per cent. per annum growth over the next few years, Wheelock will more than treble profits before 1975 and Hutchisons will maintain a 20 per cent. compound growth over the next three years. On this basis and imposing a political discount on the market ratings in spite of HK's investment climate favouring quick returns, Vickers conclude that Jardines is over-priced, Wheelocks is slightly undervalued and Hutchisons is cheap.

Perhaps the only immediate criticism that can be levelled at the review is that with all three companies share prices high in historical terms, Vickers may have missed the best. If, however, one accepts—if only as matter of illogical faith—that the Hong Kong economy will more or less continue to match its previous record of growth, then there could be a good deal of potential left in all three companies.

Unit trusts

Overseas funds and the dollar crisis

BY KEITH LEWIS

THE PAST WEEK'S events on the international currency front have had quite an impact on world stock markets. The most notable changes, predictably, have been recorded on Wall Street, where the Dow Jones Industrial index had by yesterday morning risen 5 per cent. since last week-end, and on the Japanese market, where the new SE index plunged 17 per cent.

Violent reactions

Elsewhere, the news has not always sparked off quite such violent reactions. In London, for example, the FT Actuaries All-Share index has receded by roughly 2 per cent. over the period, while in Australia—which, it is thought, is bound to suffer from the inevitable switch in Japan's exporting efforts—the Sydney All-Ordinary has come off some 3½ per cent. over the past week.

However, compared with what has happened since the start of 1971 the past week's movements have been small fry, and the only investors who have cause for complaint are those tied up in the Australian market: the Sydney All-Ordinary index has fallen back 10 per cent. over the seven months. Over the year, the New York Dow Jones is higher by 5 per cent., the FT Actuaries All-Share index is up by 30 per cent. and the Tokyo SE index is ahead 18 per cent. The implications for the unitholders in the various overseas funds are therefore varied.

First, although holders of the two authorised Japanese funds — Save and Prosper Japan Growth Fund and M and G Japan Fund — have so far shown no eagerness to bale out, the measures adopted by the U.S. have clearly been designed to have the greatest effect on Japan's trading position.

The numerous fans of Japan are saying that exporters can absorb the 10 per cent. surcharge imposed on imports by the U.S. and still remain competitive. On the other hand, impartial observers have been expecting harsh measures from one side or the other for some time now and managers of both of the funds mentioned have been prudent enough to give the large exporting companies a wide berth. In both trusts there is a preponderance of defensive stocks, including banks, insurance, construction and retail stores shares.

One major broker in London has described the reaction by the Tokyo SE—historically volatile at the best of times—as panicky. One problem is the validity of the unit valuation, and one offshore fund trustee in particular is worried that realistic prices cannot be established while the foreign exchange markets are closed. The only realistic way to operate, therefore, is to match buyers with willing sellers.

Technical problem

A more technical problem is how the funds with sterling/dollar back-to-back loan facilities are likely to come out of this.

At the moment there are two ways to invest in overseas securities: either through one of these dollar loans or through the investment dollar pool. In the past, when the investment dollar premium has been low it has not been worthwhile to arrange a back-to-back loan since the expense involved is often far greater than the 25 per cent. dollar premium surrender penalty. However, many groups have judged that with the disappearance of the premium a distinct possibility, assuming Britain joins the EEC, it is (in the long term at least) more desirable to opt for a dollar loan.

The Bank of England rules that a sterling amount equivalent to the dollar loan at the ruling exchange rate be put on deposit. If an official devaluation of the dollar is in prospect then less sterling will have to be on deposit and therefore more cash will be available for actual investment.

Furthermore, if the latest U.S. economic package is successful—and the New York Stock Exchange's reaction suggests that it may be—then the rise in the market will be an added advantage. Obviously, if the pound were to be devalued in line with the dollar then the situation would be back to square one.

By and large dollar loans are an expensive exercise unless the market is definitely on the way up. It costs approximately 8 per cent. for a dollar loan and a sterling deposit in London attracts interest at 6 per cent. Interest on the loan has to be paid six-monthly out of the proceeds of the investment; any deficit has to be made up out of the capital value of the loan. In other words, one must be sure that the market is on the upward path, otherwise there is an interest deficit to be financed for a start.

Action at this particular point in time is clearly hasty; the drop in the offer price of M and G Japan from 60.8p to 50.8p (a 16 per cent. decline) is fair enough in view of the general market setback, as is the fall of 15 per cent. in S and P's case. While there are still expectations of a Yen revaluation, conditions are bound to be unsettled, but then presumably unitholders in these particular funds were aware of the possibility of a bumpy rise. The other point, of course, is that in the event of a Yen revaluation the Sterling value of the funds will rise and take some of the sting out of Tokyo's setback.

Finance and the family

Policy for deceased wife

BY OUR LEGAL STAFF

I took out a life assurance policy naming my wife as beneficiary. She has since died and I have remarried. (a) should I take any action, and if so, what? (b) What would happen if I took no action, that is, if I had died without it having been pointed out to me that my first wife had been named in the policy?

If, as we assume to have been the case, the policy was effected under the Married Women's Property Act, then the position is that the policy moneys form part of her estate, and must be dealt with by her personal representative. This may very well be you, but, of course, need not be. In any event the ultimate proceeds will pass under her will, or intestacy, as the case may be.

If you are entitled to the benefit of policy under your wife's will or intestacy you can, if you wish, take the action of assigning it to your present wife.

The situation is in no way altered by the fact that it might not have been pointed out to you before you died—the destination of the moneys would be the same.

Money kept by solicitor

My son sold his house in Scotland and on completion received the purchase price, less £300, his solicitor retaining it, he said, in case he should be unable within 3 months to deliver certificates, from the over-superior under feu disposition, from the immediate superior under feu disposition and from a neighbouring proprietor that the boundary fences are in good condition. Is this in order?

We do not understand what exactly the obligations in the title are or why your son has to fulfil them. If the solicitor fears the possibility of a claim in the future he still has no right to retain your son's money. In any event, if any future claim is made against your son, the obligation being his, the solicitor can have no cause to retain money, while if the claim may be made against the solicitor, the obligation being his he must pay himself. Even if the solicitor could be liable but have a right of relief against your son that does *not give him* the right to retain money belonging to your son in anticipation.

Raising false hopes

Is it possible to take legal action against estate agents who allow signboards to remain outside vacant properties with prices on them far below those now current?

No, we do not consider that there is any legal remedy for such a situation. It is not fraudulent misrepresentation, because they do not get you to do anything on the strength of it: obviously, the information raises your hopes, but this (and the subsequent let down) is not a matter of which the law takes cognizance.

More than one trustee

Following the death of a trustee of an estate in which my wife has a life interest, the remaining trustee proposes to carry on alone, although he is a remainderman. If this is permissible should the other beneficiaries call for annual audits of the accounts and inspection of the assets?

The answer to your question is in the affirmative. But a single trustee—whoever he is, beneficiary or not—should not be left. He should be requested to appoint another trustee to act with him, and if he will not do so an application should be made to the Court for the appointment of an additional trustee to act with him—or for his replacement by two other trustees. What use would an audit be if he has previously skipped with the funds? If there were two trustees the possibility of doing this would be enormously reduced. It is for this reason that the law in most cases requires two trustees, or a trust corporation.

A profit on a house

I decided to buy a new house and deposited £50 with the property company, but I shall not now require it when finished at the end of the year. Meantime, the price of the next phase to new buyers has risen by £400 and seems likely to go higher. Can you suggest any short cut to making a profit out of this situation?

It is impossible to advise you fully without a sight of the documentation under which you have paid your £50. But if there is any "short cut" such as you require, it can only lie in assigning your rights against the property company to a third person, who would pay you for the assignment. Whether you have any such assignable rights we cannot say without a sight of the documentation.

The next "short cut" would be to enter into the contract, and then assign the benefit of the contract. The difficulty here is, of course, timing: you might well be called upon to fulfil your own contract (and have to do so against forfeiture of the deposit) before you had actually found a person willing to take the assignment.

Transfers on a 50p stamp

Can you tell me under what circumstances shares left by a testator can be transferred to people who benefit by his will, without payment of ad valorem stamp duty?

If either (a) a person is left stated securities or (b) the securities are taken as part of the residue or (c) they are appropriated by the executors to answer a pecuniary legacy under a power of appropriation not requiring the consent of the legatee, only a 50p stamp is required on the transfer.

Getting rid of a trustee

I made a settlement in favour of my grandchildren and appointed their parents trustees. The deed provides that "the power of appointing a new trustee or new trustees hereof shall be vested in the settler during his lifetime." Is there any way I can get rid of one of the trustees, and if not can I appoint two new trustees to give power to any three to act without the fourth?

You have a power of appointing new trustees, not a power of removal. Equally you have no power to impose any conditions such as you envisage when you appoint new trustees. Accordingly, all you can do is to appoint two new trustees to act with the existing two. If the trustees cannot agree, then they will have to apply to the Court for directions, or some person interested in the trust will have to apply to the Court for the removal of one, or both, existing trustees.

No legal responsibility can be accepted by the FINANCIAL TIMES for the answers given in these columns. All inquiries will be answered by post as soon as possible. No charge is made for this service except in relation to investment matters.

Qualifications for a pension

I am 46. I paid National Insurance contributions as an employee for 10 years, as self-employed for 5 years and as non-employed for the last 8 years, but I cannot discover whether I shall get a pension. Would buying a self-employed stamp qualify me, or would a non-employed one achieve the same result?

In order to qualify for full national insurance pension you have to achieve during your working life an average of 50 stamps per year. A working life is taken as being from the age of 18 to the age in the case of men 65 and in the case of women 60. For those who were on July 5, 1948 over 18 the working life is taken as the period from July 5, 1948 to the age of 60 or 65 as appropriate. It would seem from the information that you give us, that if the cards so far submitted for you have been stamped in full that is to say 52 stamps on each card and that you proceed for the next 19 years until your 65th birthday to stamp your cards with a class III non-employed stamp that you will then qualify for a full pension. Should you at any time take up employment or commence self-employment, then you should insure that the correct class of stamp is affixed *either* by the *employer* or *in* the case of self-employment by yourself.

Gains tax on tenanted residence

I inherited a house from my grandmother in 1962 and allowed a great uncle and aunt who had been living with her to remain there, at a nominal rent of £100 a year, to include rates and insurance. These relatives have now gone and I propose to sell.

How will the tax value for capital gains tax purposes be calculated? Would it be better to select the alternative method based on the value at April 6, 1965?

If a house is burdened with a tenancy the value for capital gains tax purposes has to take account of the tenancy.

The answers to your questions are therefore:—

(a) The valuation in 1962 for estate duty which included the factor of the tenancy will be the value to be used for capital gains tax purposes.

(b) The valuation at April 6, 1965, will have to include as a factor of the valuation the subsisting tenancy.

(c) If the house had been *provided* rent free and without any other consideration it might have been possible if the relatives were incapacitated by old age or infirmity from maintaining themselves to obtain relief for capital gains tax on the basis of a private residence provided for dependent relatives under Section 29 (10), Finance Act 1965. However, in your circumstances it would seem that you could not satisfy all the tests imposed for the relief.

In the circumstances it would seem that capital gains tax will be payable and that it is likely *that the 1962 probate* value with time apportionment would give the minimum tax payable.

Insurance

Preserving life policies

BY JOHN PHILIP

EVEN if the purchaser is clear as to the reasons why he wants life assurance—for protection of dependants, for collateral for a house purchase loan, for saving for retirement, simply for investment, or for some combination of all or any of these purposes—he must appreciate that a life assurance contract is a long-term undertaking, and that much can happen in subsequent years to upset the purchaser's original calculations.

Family and financial circumstances can change almost beyond recognition. The purchaser may not need his policies *or may wish to make* substantial alterations. Or his personal circumstances may be such that for a time he completely overlooks the need to keep up his life premiums—as did a reader who wrote to me recently.

Reinstatement

He had a 25-year with-profits endowment, on which he had paid ten years' premiums; family affairs had taken him abroad for many *months;* when he returned home he found his annual life premium notice and realised he was some six months late in paying his premium.

To his question: "Will insurers reinstate the policy?" the answer is almost certainly "yes," but less certain are the terms on which such reinstatement will be made, for there is a fair divergence of opinion among insurers on this subject.

In the majority of life assurance contracts (other than those of a temporary character), there are clauses built in by insurers to ensure that such policies are kept alive despite non-payment of premiums. But there are no such clauses to be found in term assurances, including mortgage protection, family income, and gift-inter vivos policies. Once the premium on a term assurance remains unpaid beyond the due date, the cover lapses. The practice on all life policies is to allow a month's grace where the premium is payable annually, but no more than 15 days for quarterly or more frequent instalments.

Term assurances apart, almost every policy has a lapse and-revival clause, which usually begins with the statement that the policy will lapse if the premium is not paid at the due date or within the days of grace and if the policy has not by then acquired any surrender value. (I will come back to this point later). The clause then goes on to declare that despite such lapse the policy can be revived within the subsequent year if the policyholder pays the back premium plus interest thereon at the insurers' specified rate, and if the life assured is still healthy enough to continue to obtain and enjoy life assurance on the terms afforded him prior to the lapse. In other words, reinstatement may not be possible if in the interim for example the life assured has sustained a coronary.

Once only

Normally this is a once only clause, so the life assured should not make a habit of failing to pay his premiums. Moreover, for practical purposes it operates only in the early years of the policy—with most companies, only in the first two or three years. The reason is that when a policy has been in existence long enough to acquire a surrender value sufficient to pay at least one year's premium—and this point of time varies from one contract to another, from one insurer to the next—the non-forfeiture clause usually comes into operation. There is no standard non-forfeiture clause, but the purpose of all such clauses is to keep the policy alive, at least for a year and more often for so long as there is sufficient surrender value in the policy to pay the premiums.

Practice has changed over the years and I think there are now relatively few policies which insurers undertake to keep alive for only one year: but of those that do, at the end of that time, there are two schools of thought. One is to employ the remaining balance of the surrender value to create a free paid up policy payable at the *same maturity* date as the original or at the death of the life assured as the case may be. The other is to hold the remaining balance to the policyholder's credit for a specified period.

But modern practice normally is to maintain the policy for as long as the surrender value can provide the means. How long depends on the size of the surrender value in relation to the annual premiums and the period of premium payment remaining. Thus it is possible for a 25-year endowment to be kept alive to maturity from the 20th year but probably not from the 10th, unless it carries a high guaranteed surrender value in its early years.

So long as the policy is still in existence, the premiums paid out of the surrender value, together with the interest charged thereon, are counted as a debt on the policy, which must be set against the original sum assured in the event of a claim for death or on maturity. Interest is charged because in essence the use of the surrender value amounts to a loan on the policy.

At first sight the policyholder who relies on his non-forfeiture clause might appear to be in the same situation as his neighbour who positively borrows on the surrender value of the policy to pay the premium. But their tax positions are entirely different; for it is only the latter who can claim income tax relief in respect of his premiums.

A lifebelt

For this reason it is still a better proposition for the policyholder who falls on hard times to borrow to keep his policy going, provided he still has some income against which to claim tax relief. The non-forfeiture clause is, so to speak, a lifebelt supplied by insurers which *is* for the inadvertent but which it is usually better not to use intentionally.

Anyone with whole of life or endowment cover whose financial or personal circumstances are drastically and irrevocably changed has two positive courses of action—either to ask his insurers to provide him with a policy for a reduced sum assured on terms similar to those already agreed but with no more premiums payable, or to surrender his policy for cash. The individual's particular circumstances must dictate which course he takes, but surrender is only rarely the better one.

CAREERS AND EDUCATION

Openings in the food industry for scientists and technologists

BY ELSBETH GANGUIN

THE FOOD industry offers two main streams of opportunities to scientists or technologists—these are in research, or in production. I talked to Dr. R. J. MacWalter, chief scientist of Unigate, to find out what there is for them to do, and what they can grow into.

The milk and food side of Unigate's five divisions represents at least three-quarters of the total £300m.-plus business. Perhaps 90 per cent. of the efforts of Unigate's central laboratory, which employs about 145, go in the same direction. Each of the Unigate factories employs technologists on the processes and in the laboratories. There are also technologists in the various divisional headquarters.

But Dr. MacWalter believes that long-term research is best left in the hands of pure scientists, like chemists, bacteriologists or physicists. They bring with them the benefits of the "newer" knowledge dispensed at the universities, and they also have that academic turn of mind which will allow them to look at problems in a fundamental, long-term fashion.

All the same, as Dr. MacWalter points out, unless these pure scientists immerse themselves in the food company's technological problems, they will not, in the long run, retain their special value. They will have earned their true accolade, it seems, only when, perhaps after ten years or so, they have managed to apply their knowledge to the actual needs of their company. (The proportion of pure science to food science or technology "intake" by industry is in fact reckoned to be eight to one.)

In the production field, or in the factory laboratories, the need is for practical people, able to deal with day-to-day technological problems. There was little formal training for their kind until after the war. In the 1930s Reading University had appointed a "professor of dairying," and students could obtain a BSc there in applied technology. This department has since become Reading's Department of Food Science.

To-day the Ordinary National Diploma in food technology can be had at numerous colleges. The Higher National Diploma can be gained at the Polytechnic of the South Bank, the Grimsby College of Technology and the West of Scotland Agricultural College. It is believed that the total number of students enrolled for these courses is about 110. The courses are often of the sandwich type (of the 110, 70 are sandwich students, and 40 are full-time), and it is thought that these *courses are* successful and that industry may make good use of the students from them.

Then there is the BSc in Food Science, with appropriate courses at Reading, Strathclyde, Leeds and Nottingham universities and at the Polytechnic of the South Bank. A BSc in Food Technology is offered at Weighbridge College of Food Technology (leading to a Reading degree). Altogether, six degree courses in food science and technology are available, and some 350 to 400 students are enrolled. But most of the courses are said to be undersubscribed.

Similar

Leeds, Nottingham, Reading and Strathclyde also offer an MSc in Food Engineering, and a similar degree in food science comes from the Polytechnic of the South Bank. At present, most of the 20 or 30 students involved are understood to have come from overseas. Some regard such courses as "conversion" opportunities for pure scientists. They would be more "mature" *students, some of* them, if not many of them, sponsored by their employers. I believe that among the Ordinary and Higher National Diploma students there are also several who are sponsored by industry, having proved their worth to their employers first.

As for the jobs they will be asked to do in industry, Dr. MacWalter referred to the importance of upgrading what appear to be routine jobs in the factory, or in the factory laboratory. It is not enough just to take the drudgery out of such jobs, like routine analyses, because that would turn the staff involved into mere "pushers of buttons." The need is to get them really interested in the results, and to help them to comprehend the significance of these results. In other words, they must be made aware that "the whole business depends on you analysis getters." This need has, of course, parallels in almost every other industry. But when it comes to food, devotion to the job is probably particularly important—and hence the task of motivating the employees concerned.

Regarding the training of all these various kinds of people, "the training of the pure scientists comes from the rub-off" as they go along, in Dr. MacWalter's experience. At Unigate, the technologists are primarily engaged for specific jobs, and they, too, do not get any formal training. They make the rounds of a number of Unigate factories over some months, and spend some time in the central laboratory. Then they go into the job for which they were selected in the first place, under the watchful eyes of the appropriate product controllers. They may be given certain *projects to carry out.* But in every case it is up to the product controller to elicit a man's potential, watch over him, and move him in the right direction—right for himself, and for the company. This could lead him away from the factory floor, or out of the factory laboratory into management, or into the central laboratory.

Next I asked Dr. MacWalter what he would like to see more of in the future. "Biological engineers," he said immediately. That is, food chemical engineers, he explained, people who "can see the engineering problems of hygiene, the mathematics of cooling tins of tinned milk." Chemical engineers of present-day vintage tended to see life primarily in terms of the ICIs or Monsantos of this world.

I also asked the Food, Drink and Tobacco Industry Training Board about food technologists. They have to change in keeping with the present change of the food industry towards increasing mechanisation and automation, embodying a demand for the continuous development of processing methods. Greater emphasis on food hygiene, too, brings with it the need to develop wider technical knowledge in that field, was one answer.

And food technologists are moving into entirely new areas, like, for instance, the distributive part of the food industry. The ITB says that while "in the past the industry has recruited its technological personnel largely from craft based courses, it is now generally agreed that the food technologist must be much more general in his knowledge because of the fact that many companies are diversifying their food interests."

The ITB adds that there is general agreement, too, that not enough people are being educated for technological jobs—in spite of the present setback in recruiting. There are all these many courses available, but school leavers are being given inadequate information about them. Secondly, the ITB points to inadequate development of career patterns for food technologists within the industry—and of a lack of publicity for those that do exist. *There is also said* to be insufficient knowledge even within the food industry about the nature and content and value of the existing food science and technology courses.

Thought

The ITB agrees that training, following on the "educational" courses, takes place within the employing company. But there is the thought, too, that this could with advantage lead to earlier responsibility and more management experience. And while, it seems, most people in the business do believe that there is a need for more food technologists, there are also redundancies among them at present. In some cases firms are said to have cut back by 10 per cent. However, this is not regarded as a permanent feature.

The Food, Drink and Tobacco ITB itself wants to "encourage companies to define their requirements in terms of job content, career patterns and future trends; wants to bring industry and education together in dialogue (for example, the recent conference of employers and education on MSc-taught courses in food science); wants to encourage publicity for opportunities in the food industry; and wants to act as information centre on educational facilities."

Motoring

Saab, Audi, BMW

Rivals to the 2-litres

BY JAMES ENSOR

THE IDEA that there could be a market for cars smaller than the traditional quality saloons but with more performance was first developed by Alfa Romeo. The company first became a serious car producer with the Guilietta, a very small, well-finished car with a striking performance. Later BMW developed a flourishing business with the BMW 1500 and for a time became the fastest-growing car company in Europe through its success. Demand for small, sporty cars has been developing much more rapidly than for the large saloons.

In Britain, the main contenders are the Alfa Romeo Giulia Super, the BMW 1600 and the Audi 100 LS. The Saab 99, with its 1850 cc engine, comes into a slightly different category, since it stresses safety and solid construction more than sporting performance. But all four are sufficiently similar to attract the same type of owner and they make an interesting comparison.

They are all priced a little lower than the Rover 2000 and, apart from the Saab, just above the Triumph 2000. None of the four foreign cars, in my opinion, matches the interior luxury and style of the Rover or the smoothness of the Triumph's six-cylinder engine. They are, however, smaller externally and are more convenient to drive and park in crowded city streets. Most of them also offer a better performance than the British two-litres.

Clearly there is a market for a car that is smaller and nippier than the Triumph 2000, for both the Audi and the small BMW have been remarkably successful in Britain in the past two years. Unfortunately there is no British car which directly compares with these four Continentals, although the Triumph Dolomite, sharing the same engine as the Saab 99, should repair the omission towards the end of the year.

The Alfa is the fastest of the four in both acceleration and top speed. But in other respects, it is not as good, and not nearly such a successful car as its bigger stablemate the Alfa 2000. It is much the most noisy and many people would find the interior cramped. It would only be the best buy for those who rate roadholding and performance above all else.

The BMW, too, seems expensive alongside the Saab or Audi which have better finished interiors and are more fully equipped. It is a neatly designed car with very good utilisation of space, so that despite its small size, there is plenty of room inside and the seats are comfortable. But it lacks the fresh air vents, the heated rear window and the generous instrumentation of the Saab or Audi.

The Saab is a car of immense character. The design of the 99 is a major improvement on the bulbous 96 which built Saab's fortunes. The Triumph-designed engine is smooth and quiet, the gearbox quick and well positioned and the interior very well finished. Saab has added many safety features such as reinforced beams and side members which would protect the occupants in an accident. Saab builds its cars well and the 99 is durable and rigid. This, of course, imposes a penalty on performance: the extra weight of the reinforcements and the heavy steel in the body coupled with the fact that Triumph has squeezed less power from its engine makes it slower than the Audi or BMW. Despite this, it is a most attractive car. Its front wheel drive and well positioned controls make it a relaxing and practical car to drive. Its price, too, which is £100 less than the other makes, is attractive.

The Audi, though, is the best of these cars in my view. It is a wide car so that there is plenty of room inside and it also has a generous boot. Its Mercedes-designed engine gives it a very lively performance which is well matched by its stable handling characteristics. It does not particularly feel like a front-wheel-drive car but that clearly contributes to its excellent roadholding.

The automatic version, which I drove, is particularly attractive because of the gear change which can be used as flexibly as a manual one. You can change down for corners and providing you allow for a slight delay, the automatic could be driven just like a manual car. The Audi's success, which has entirely changed the fortunes of Audi-NSU, seems well justified. Its low price makes it a genuine rival to the British two litres, if you are prepared to sacrifice a little interior luxury for performance.

	BHP	Top Speed m.p.h.	Acceleration ¼ mile	Weight cwt	Fuel m.p.g.	Price £	Replacement cost £ 2 years
Alfa Giulia Super	102	110	19	23	28-30	1,577	750
Audi 100 LS	100	106	19	23	28-30	1,627	600
BMW 1600	90	103	19	25	30-32	1,626	650
Saab 99 1850	86	96	20	25	26-28	1,479	550

Golf

A hot seat for Jacobs

BY BEN WRIGHT

AS A constant critic of the management of tournaments by the Professional Golfers' Association I can only greet the appointment of John Jacobs as the Tournament Director-General as a stroke of genius that has come about in the nick of time to save an ailing circuit.

The first reaction to the appointment from several people to whom I spoke this week was that it revived unhappy memories of the only similar venture in recent years, when Brian Park was given a free hand to find new sponsors. But this was a cynical and unworthy comparison. Park, now retired to Jersey, sold out his family business in Wigan and retired while a comparatively young man, and offered to help out PGA in his spare time in an honorary capacity.

Memorable event

Those who remember Park's sponsorship and underwriting of the very successful 1965 Ryder Cup match will remember the flair with which he staged-managed that memorable occasion at Royal Birkdale. But persuading hard-bitten businessmen to part with large sums of money to invest in tournament golf as a publicity vehicle is a different matter, as I have discovered, and Park came up with next to nothing.

Jacobs is settling himself in as hot a seat as that occupied by the managers of most Third and Fourth Division football clubs. These latter unfortunates are under constant pressure somehow to achieve success with a motley collection of promising players and has beens—or else. Jacobs is not exactly embarrassed by the wealth of talent available on the British tour at present in trying to sell his package. But his appointment is for a three year period, and present indications are that the annual crop of the best young professionals gets better and better.

Tournament players now asked to pay an annual subscription of £30 instead of £5 are bound to expect positive, if not immediate, results from a man paid £5,000 per annum for an agreed 50 per cent. of his time. The significant facet of Jacobs's appointment is that the other 50 per cent. is wholly devoted to golf and not to conflicting interests.

Jacobs is in contact with big businessmen all the time in the capacity as the supervisor of a chain of driving ranges and par three courses bearing his name and owned by the Greyhound Racing Association—the only successful organisation of this nature in Britain. Jacobs's coaching extends to the far corners of Europe, where he is even retained to instruct the professionals of more than one country, so exalted is his reputation in this field.

The promise of a free playing lesson from Jacobs could well soften up the most hard-headed of tycoons, many of whom in my experience have been totally obsessed by their inability to improve their own golf at the same speed as they make their profits.

Advisory council

Jacobs will be responsible only to the PGA's three-man advisory council of businessmen. The existing constitution of the Association decrees that an extraordinary general meeting must be convened so that a further three-man committee of tournament players can be elected to assist him in his considerable task.

Since Jacobs has to set up an office and employ a full time secretary out of his £5,000 it can be seen immediately that it is the PGA who have secured a bargain. The employment of a man widely respected in the game rather than a public relations "whizz kid" seems an eminently wise move to me. Jacobs has many contacts in Europe, to which area his responsibilities extend, and is highly thought of there. If anyone can sort out the various continental golfing authorities I fancy it is this soft-spoken but very determined Yorkshireman.

What was also healthy about the appointment of Jacobs was the unanimity of the vote in his favour, once his former assistant David Talbot had suggested his name. Of the 73 tournament professionals involved, 71 voted for the new boss—and only two abstained. Much petty jealousy has been directed at Jacobs in recent years in an attempt to discredit him by those envious of his remarkable success. This has obviously been forgotten in the general enthusiasm for a long overdue appointment.

But the most important aspect of Jacobs's appointment is at last to free the running of tournaments from the meddlesome attention of club professionals on the unwieldy executive committee of the PGA which has held back the tournament players for so long.

Most golfers will favour the proposed increase in tournament entry fees from the existing flat rate of £6 to a scale of roughly £1 per £1,000 of prize money. This may keep those players whose lack of ability is a hindrance to all concerned away from the tournament scene until they are ready and able to make a significant impact upon it. It could even encourage sponsors to be more generous to ensure this.

Ryder Cup team

The Ryder Cup team will be chosen to-morrow and announced on Monday. Much has been written of late about the need for our leading player, Tony Jacklin, hero of the 1969 match, to prove himself in the Benson and Hedges tournament at present being played before he is certain of a place among those six players selected. Six already qualify automatically on points, the current tournament being the last to count.

Such rubbish will not have been taken seriously by anyone who matters, least of all Jacklin. But I urge Jacobs to bring his new-found power to bear to influence the PGA in future to ensure that Ryder Cup team selection depends on points alone. The human element in professional golf is frequently anything but that. Before next week is out arguments will be raging about some of the six selected to-morrow—instead of those who should have been.

Bridge

A couple of six-shooters

BY E. P. C. COTTER

SLAM HANDS are fascinating for many reasons. Sometimes the interest lies in the bidding, sometimes in the play. My first hand to-day is from the Open Pairs of an international tournament held earlier this year. North-South were vulnerable when my partner in the East seat dealt the cards as below:

	N.	
	♠ A K Q ♥ K 9 8 4 ♦ A 9 ♣ K J 7 6	
W. ♠ 10 8 5 ♥ 10 6 ♦ K Q J 8 2 ♣ 9 3 2		E. ♠ 9 2 ♥ A J 8 7 3 2 ♦ 8 4 3 ♣ 8 5
	S. ♠ J 7 6 4 3 ♥ Q ♦ 10 7 5 ♣ A Q 10 4	

After two passes prospects for our side seemed gloomy, so I decided to open the bidding with a psychic one diamond. This was doubled by North, my partner put in a bid of one heart, and South bid two spades. North now introduced Blackwood, and finding that his partner had one Ace, bid the small slam in spades.

I led the King of diamonds, which was taken by the Ace, and the declarer made a brave try for his contract by leading a small heart from the table. If East ducks, South can get home after ruffing a diamond in dummy. My partner, however, went up with the Ace and returned a diamond to defeat the contract. This result gave us a nice bundle of match points.

South was not amused, for there is nothing worse than playing a slam in the wrong suit. I think that North's Blackwood was on this occasion, as it is on so many others, the wrong bid. A cue bid of three diamonds would have been far better. This would have elicited from South a response of four clubs, and a final contract of six clubs would have been reached.

This contract can be made, though against a diamond lead it requires very careful play. The Ace of diamonds wins the first trick, and exactly two rounds of trumps must be played, followed by the three spade tops. As the hand with the doubleton spade has no more trumps, all is well. The declarer comes to hand with a third trump, discards dummy's diamond on a spade, and concedes a heart trick.

In the following hand, sitting South, I dealt the following freak:

	N.	
	♠ K 5 ♥ Q 9 3 ♦ Q 7 8 5 2 ♣ K 7 3	
W. ♠ A Q J 10 7 2 ♥ 4 ♦ 10 9 8 ♣ 6 5 4		E. ♠ 9 8 6 4 3 ♥ K J 6 ♦ K J 4 3 ♣ 2
	S. ♠ — ♥ A 10 8 7 5 2 ♦ A ♣ A Q J 10 9 8	

I opened the bidding with two hearts, West competed with two spades, North raised the hearts to three, and East said three spades. I now said four clubs, North returned to four hearts, and East pressed on with four spades. East is an aggressive player, and I could see what was coming. He would not let me play a slam contract unless he thought he had pushed me too far. If my partner had a sound raise to three hearts, I must have an excellent chance for a slam, but I bid a mere five hearts. As expected, East overcalled with five spades, and I now thought I might bid six hearts with some hope of being left in. East doubled, and West led the Ace of spades.

I ruffed the opening lead, and now the only problem confronting me was not to lose more than one trump trick. It was inconceivable that East did not hold both trump honours, so I led a small heart towards the table and played the Queen. East took his King and with the speed of light led back the six of trumps. Of course I let this run to the nine and made the rest of the tricks.

East's handling of the situation was very bad. It is probably best to let me play in five hearts, but having pushed me to six, he must carry on to six spades. This would cost 500, but that is better than losing 910 and the Game.

COMPANY NOTICES

BUFFELSFONTEIN GOLD MINING COMPANY LIMITED
(Incorporated in the Republic of South Africa)
CIRCULAR TO SHAREHOLDERS
LOAN FINANCE

Shareholders were advised in previous Annual Reports of the Directors that Cumulative Capital expenditure exceeded capital funds provided, but that the excess was fully offset by uranium interest-free loans. However, it was brought to shareholders' attention in the Director's Report for year ended June 1970 that the excess of capital expenditure over capital funds was not as in previous years, fully offset by uranium interest-free loans. Shareholders were also advised that it would be difficult in the short term to maintain dividends at the previous level, whilst appropriating for the then existing shortfall in capital funds, as well as for future capital expenditure. The balance outstanding on uranium interest-free loans, which at present amount to R3,257,080, is repayable in full over the next eighteen months.

Capital expenditure for the next two years is estimated at some R15M, and a further R4M for the next three years of the current programme. This will complete the major capital programme, with the exception of a further shaft system which will probably be required at some time in the future to exploit the Lucas Block area.

With existing sales commitments considerable stockpiling of uranium will be necessary in the course of the next five years. Such a stockpile will require a cash outlay of some R3M, in addition to tax payments of some R5.0M. By 1078 its value should however be very substantially higher.

As has been evident from the quarterly reports, the profitability of the mine has recently declined. The high values encountered in the upper areas of the mine have not extended into the deeper levels where the greater portion of the work is now concentrated. As a result gold recovery dropped by 772 kg despite a higher milling rate during the past year and the total working profit decreased by approximately R1.7M. The latest estimates indicate that gold recoveries will decrease still further during the next 12 months.

As a result of all the above factors medium term cash shortages will be experienced by the Company. These shortages will continue until the high capital programme has been completed within the next five years. In order to overcome this situation it has been necessary to make medium term financing arrangements and at the same time to reappraise the Company's current dividend policy.

A multi-currency loan of seven million dollars for an overall term of five years has therefore been arranged. The amount has been drawn initially in Swiss francs. The facility will be reduced by one-fifth every six months, the first reduction being in August, 1974. The loan has been guaranteed by General Mining and Finance Corporation Limited.

In addition to the loan repayments, it is estimated that the Company will over this 5 year period be able to provide in full out of profits for its capital expenditure, including the balance unprovided for to date, but such a programme will make it necessary to reduce the rate of dividend payments, for the time being to a level of probably about 18c per share per annum.

By Order of the Board.
GENERAL MINING AND FINANCE CORPORATION LIMITED.
Secretaries
Per J. J. B. DU TOIT

Registered Office:
6 Hollard Street,
Johannesburg.
20th August, 1971

Travel

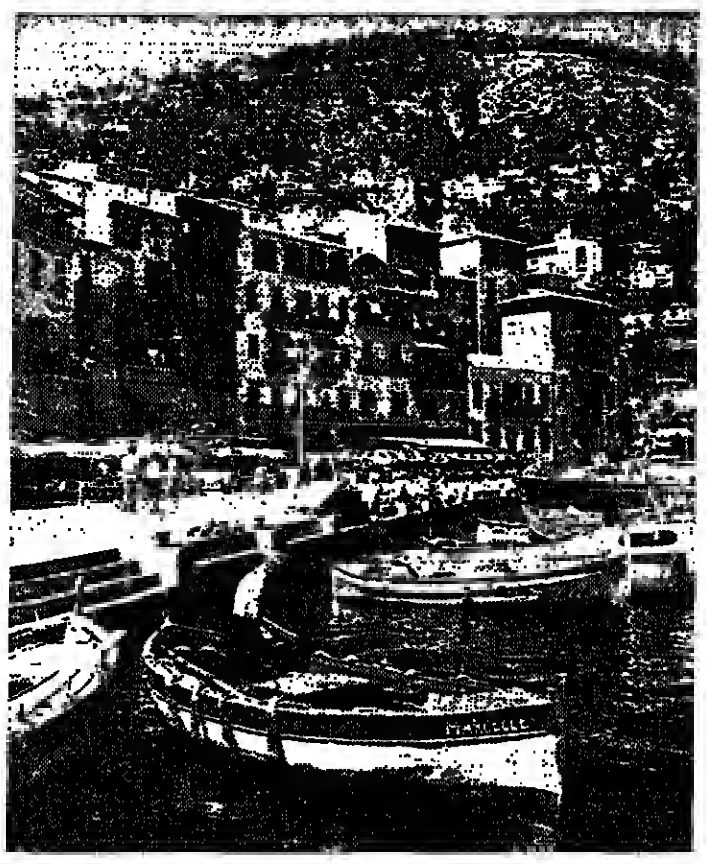
Return to the Côte d'Azur

BY PAUL MARTIN

IT was the proud boast of the Windmill Theatre, to-day a cinema, that, even at the height of the London blitz, it never closed. Many miles further south the same claim is made for the Nice-Côte d'Azur airport which, huilt along the edge of the *Mediterranean*, provides easy air access throughout the year.

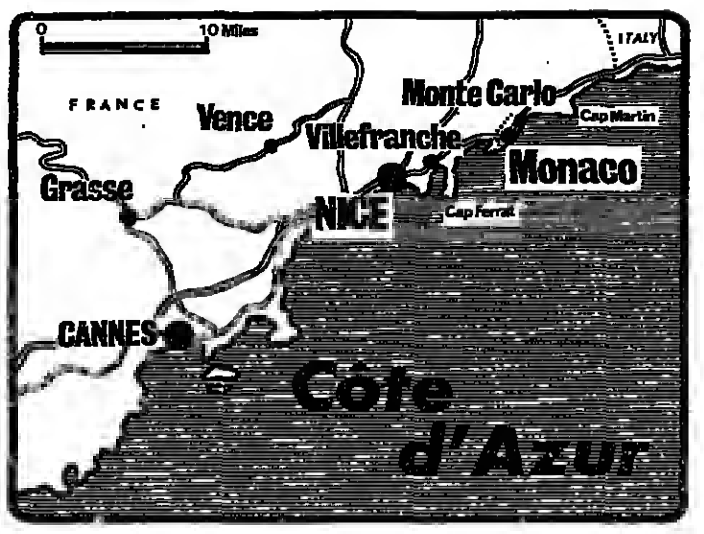
The French themselves tend to refer to the region as simply "La Côte" in a bland assumptinn that the sea and sky are automatically and at all timeo of a brilliant blue. When I flew out earlier this year on the Boeing 727 that Air France has now introduced on the direct Heathrow-Nice link, I have to report a certain lack of azure replaced by dull skies.

Nor was there any real consolation in returning to a grey London on a day when the oun shone brilliantly over Nice. Accepting that I was just plain unlucky weather-wise, I was glad tn have the chance of moving away from the sophisticated elegance of Nice's Promenade deo Anglais and the opulent Croisette at Cannes to visit the surrounding countryside.



Port and town at Villefranche

I was reminded once again bow close that fabled coastline is to the true country heart of Southern France. In under 30 minutes you can drive out and follow the series of corniche roads that provide grandstand routes from which to look out over the bays and inlets at Cap-Ferrat, Cap-Martin and at the dense skyscraper conurbation of Monaco with the castellated outlines of Prince Rainier's pink palace providing a pleasantly Ruritanian contrast.



The Vistaero Hotel, perched incredibly like an eagle's nest on a high spur of rock overlooking Monte Carlo, with its own swimming pool built lower down the rockface, bas a restaurant that really is panoramic. Turn one way and you look out towards Italy, then move back across the terrace and France lies below you.

The Vistaero offers demi-pension—all the soundproof rooms bave private facilties and balconies—at prices from around £9.50 per day.

Very much of the 20th century, tbe Vistaero is only a short distance on the Grande Cornicbe from the two very much older settlements of Roquebrune and La Turbie, where the massive Trophée des Alpes, considerably restored, recalls the days of the Romans.

In the heady and luxuriant natural richness of the region, art has always flourished and the little port of Villefrancbe, wbere Jean Cocteau transformed the simple fisbermen's chapel, remains very mucb as it was wben I first visited it many years ago. Narrow streets lead back from the port to the old town and, from its shaded length, the aptly-named Rue Obscure affords glimpses of the active life of the harhour below.

James Vance Travel, 771, Fulham Road, London, S.W.6, offers an inclusive eight-day holiday bere at the Versailles Hotel, with a beated swimming pool, at prices from £88. This is on a full-board arrangement with travel by scheduled air day-flight. Havas Travel, 21, Connaught Street, London, W.2, operates inclusive holidays comhining flight and hire of car and caravan. Prices for a party of four start from £49 eacb for a two-week boliday.

No one can possihly complain of the region's lack of variety and, although it has become perbapa over-popular, the compact little town of St. Paul de Vence remains one of the best preserved of the bill towns that have become synonymous with the wbole Provence-Côte d'Azur area.

Madame Roux still presides at the legendary "Colombe d'Or" restaurant wbere her hushand first atarted collecting the works of modern masters. While not cheap, the food is superb but I found my attention wavering from the gastronomic delights to the strange outlines of a Modigliani, a Utrillo or a Picasso on the wall—all originals of course!

Matisse's Chapel of tbe Rosary, regarded by the artist himself as his last major work, is in the nearby town of Vence.

This is, too, the country of the beady perfumes of Southern France and at either Grasse, France's perfume capital, or in the hill village of Eze, you can learn from the multilingual staff at the two Fragonard establishments about the many processes involved in the distillation of 38 different essences and scents. They are open daily, including Sundays, from 8.30 a.m. to 6.30 p.m.

I was happy to return to the Côte d'Azur in untypically non-beach weather and to go inland away from the glossy facade of that gorgeous coastline.

Air France, in pool with BEA, operate year-round London-Nice services. The excursion mid-week day return by Boeing 727 is £47.85 but a mid-week Caravelle excursion night-flight, costing £37.30, runs until the end of September.

Full details about hotels and general background on the area can be obtained from The Frencb Government Tourist Office, 178 Piccadilly, London W1V 0AL.

Gardening

A garden under cover

By A. G. L. HELLYER

MANY changes have been made at Wisley during the past two years which bave transformed large sections of the Royal Horticultural Society's famons garden. Nearly all are welcome improvements, and some, such as the new canal pool, pavilion, and walled garden in front of the house, have still to make their full visual impact.

But one new featnre wbich has matured with quite extraordinary speed and is already one of the most spectacular draws to Wisley is the range of new greenhouses on the bill beyond the rose borders. Little over a year ago these were barely completed and the permanent planting of the big house was only just commencing. Now the visitor is greeted with a jungle-like profusion which is a delight to the eye and a constant stimulus to the imagination.

Festoons

Passion flowers in variety solanums, allamandas and climbera of many other kinds twine up the supporting pillars and festoon the rafters so that one is only dimly conscious of the structure. The effect is almost as natural as that achieved in the magnificant new plant houses in the Edinburgh Botanic Garden without the costly expenditure on a suspended roof. The floor space is planned informally, as it is at Edinburgh, with an irregular pool, beds of various shapes and sizes densely planted, and in addition to the wide perimeter path some narrow paths leading through the plant groups so that they can be inspected closely.

At the moment many species and hybrids of shrubby or tree-like hibiscus are notably spectacular, some with buge scarlet, orange or yellow flowers, Hibiscus waimeae with a large branched staminal column projecting from the centre of eacb pure white flower like the antennae of some strange red lunar aerial.

The wild canna, so much more attractive than the bloated garden hybrids, is spreading so rapidly that it has to be cbopped back periodically, and Canna iridiflora, most magnificent of the genus, has made a huge clump of broad leaves, well above head height, with showers of crimson flowers abnve them.

Nor among all these giants is there any lack of smaller plants. The grecnish yellow flowered form of Bclopernne guttata, popularly known in its common pink form as the shrimp plant, bas not stopped blooming for the past six months nr morc. This continuous flowering makes it a splendid flower for the amateur and a friend who was given a plant of the dwarf sbrimp plant when it was first shown a couple of years ago assures me that it has never been out of flower since then.

Busy Lizzies

Much the same could be said for the busy lizziea (Impatiens holstii and I. sultani) in their various forms. There is a red and white one hy the water in the new Wisley greenbouse which I have been watching for months and I bave yet to see it without flowers. Lantanas, too, go on and on seemingly without ever tiring and one wonders why, since they were popular outdoor bedding plants before the first world war, they have since been so mucb neglected.

All these are relatively familiar plants. Tbere are many others in the Wisley greenhouses that are almost completely unknown. One little charmer in bloom at the moment is Cuphea hyssopifolia, a dense busby plant witb tiny overlapping leaves and innumerable white flowers. It comes from Mexico and I do not recollect ever having seen it before. I wonder also how many gardeners know Senecio mikanoides, a vigorous climbing relative of the groundsel and ragwort which earlier this year was draping a pillar in the Wisley conservatory with golden bloom.

But my real purpose in mentioning these new Wisley glass-houses is to speculate bow much they will influence fashion in greenbouse planting. So many people are visiting tbem and obviously enjoying the experience that one wonders whether they may not start a revival of interest in the old style conservatory.

Many houses now have central heating and it is becnming increasingly fashionable tn have some kind of sunroom or covered place from which the garden can be enjoyed, even in cold weather. A conservatory on Wisley lines nced be no more costly to hnild and heat and a good deal less truuble to maintain than a normal greenhouse with its succession of pot plants.

All the plants I have mentioned (though by no means all the plants in the new Wisley greenhouses) are permanently planted in beds on the floor of the house. They are watered by hose and could equally well be watered by trickle irrigation or some nther automatic or tap controlled system. Though there are tropical plants at Wisley, all those I have described, and many mnre growing with them, are from temperate or nnly mildly tropical regions and thrive in temperatures which in winter can be well below that usually maintained in living rooms.

For those whn have North Sea gas the new Shilton greenhouse heater can provide a convenient and economical method of heating since it requires no water pipes or radiators but simply stands on the flnor and heats the air direct. The only fumes produced are carbon dioxide which is beneficial, not harmful, to plants.

Ventilation

In practice it is probable that most amateur gardeners would find it more difficult to maintain a sufficiently low temperature in summer than a sufficiently high temperature in winter. Mass produced greenhouses hardly ever have sufficient ventilation and this is a structural fault that must be rectified if permanently planted conservatories are to become popular. Automatic ventilation is now fully reliable and not unduly costly to maintain.

A little garden in whicb the whole climate is under control can be a fascinating possession and a particulorly pleasant place in which to work when the weather is bad. At Wisley those interested can see just how gay it can be at any time of the year.

How to spend it

Sheila Black

Cassettes and cartridges listed

"But what on earth can you play on it? I've never heard anything but Henry Mancini," said a friend when I made him sit and listen to the tone of a cartridge player I had on temporary trial. So I posted a Schubert cartridge.

He's not the only one who believes that everything is still cut only on those plate-like, circular discs. In fact, there are now something like 50 brand names in cassettes, with new titles rushing on to the market monthly.

Published monthly, it is called simply "The New Cassettes" although it includes cartridge releases. The price is 5p but, if your bookseller hasn't got it, make sure with a direct subscription of 90p per year to cover cost and the postage which, nowadays, comes so near to the price of the magazine. The address is Francis Antony of 20, East Hill, St. Austell, Cornwall. The books are cross-referenced under Ballet, Pop and all that jazz. The same firm publishes "The New Records," monthly and "New Singles," weekly. All are worth having by any music fan.

Discount discs

Discs at a discount is the service offered by a company which sells leading brand-name discs by direct mail. Actually, the company has two services. One sells records at reduced prices—like £3 for a disc normally retailing at £3.49; or £2.80 for a disc selling at £3.25; and so on. Lists can be sent on application.

The other is a voucher service. While the cheaper discs are primarily aimed at students, the vouchers will, it is hoped, be bought by parents whose children can then buy at discount. There are £1 vouchers, valid only for records bought from Academy Music, which sells pretty well every brand name in discs except Music For Pleasure.

The address for all lists and details is Academy Music, Academic Services, Redan House, 1, Redan Place, London, W.2.

Sickness insurance abroad

A friend of a friend got smashed up in Spain, with a long, long illness as the result. The cost has been astronomic, and the young lady's life temporarily rather blighted by the whole incident.

BUPA offers short-term extra cover to augment normal BUPA benefits. You can buy £1,000 of extra protection for medical care abroad, and it will cost you £2 a head for 28 days. My goodness, how well worth while, and it is all done so easily with vouchers.

I never cease to be amazed at the BUPA services which grow all the time. Private nursing for homes, schools, hotels, industrial organisations and anywhere is often useful (there's a leaflet on the subject).

If you want to know more about it, the address is Provident House, Essex Street, London, WC2R 3AX, and there are a good many branches too.

A line-up of Merrydown wines makes a nicely appetising, attractive picture. That is not, however, the only reason for using it. Bringing Merrydown's English fruit wines to your attention is the main reason—some of you may have seen the Merrydown vineyard on TV on Wednesday night of this week.

I have been trying out their wines. Years ago, when I was rather broke, and when the long, hot summer of 1959 induced outdoor living with chilled wine, I fell for inexpensive Merrydown Apple Wine. By coincidence, my father bought a house next to the Merrydown headquarters, Horam Manor. Even after some arguments about the smell of rotting fruit between my father and the Merrydowners, later happily resolved, I continued to drink the Apple Wine. Then I forgot all about it.

Now the Merrydown wines are not so noted for cheapness, thanks to revenues. But they are different, and one gets the nice feeling that they are doing one good. Gooseberry is a good one, and Redcurrant is very good. Elderberry is fun to serve and to talk about. Bilberry is delicious, and I rather like Orange, Cherry and White Currant. The thing about them is that people argue, and that no two people in a smallish gathering seem to agree on what they like.

Prices are around 65p to 72p the bottle. All the wines are 22 per cent. proof spirit—Cherry and Ginger being the exceptions at 24.5 per cent. proof.

For home winemakers—and my daughter gets excellent results in French wines with concentrates from Southern Vinyards, of Hove, Sussex—Merrydown is doing Mead and Apple Juice. I have smelled the mead in fermentation and it is redolent of the honey already. The 40-ounce bottle (to make 2½ gallons of mead) sells at 95p. The gallon jar (to make 10 gallons) costs £3.40. Prices for the Winemakers' Apple Juice, Martlet WAJ, are the same. Fermentation takes 5 to 8 weeks and the resulting wine will be about 21 per cent. proof spirit.

Before bidding farewell to the Merrydowners, I do want to congratulate them on the Martlet vinegars. Honegar is honey vinegar, for which I haven't quite discovered a specific use although I am sure there is one. It tastes good. The Cider and Apple Juice Vinegars are delicious in dressings, on their own or with oil, and at any other time you would use this kind of fruit vinegar. The Martlet honeys are good, too. Try Hungarian Acacia, Fijian Tropical Flower and Comb in a Jar. Around 23p to 24p each and excellent (32p for the comb in a jar).

Most good health food shops stock the honeys and vinegars, and the wine concentrates, too. But get any stockists in your area by writing to the Merrydown Wine Company at Horam Manor, Horam, Heathfield, Sussex.

Vinyl drugget to protect good carpets

I have this white Indian carpet which I want to put in my newly-painted living room. But I also have this 18-month-old Dalmatian who swims in the Serpentine (at 7 in the morning, with me having been dragged out of bed to take him there) and who loves to get back to roll on carpets. If he is dry by the time he returns, and he often is, he chews tiny rubbery fragments off guaranteed too-hard-to-chew bouncing balls. Or he fiercely defends himself against the tattered remains of a rubber-backed rug which insists on attacking him all the time and sheds as it does. Or he ... well, you can see he and my white carpet aren't exactly compatible.

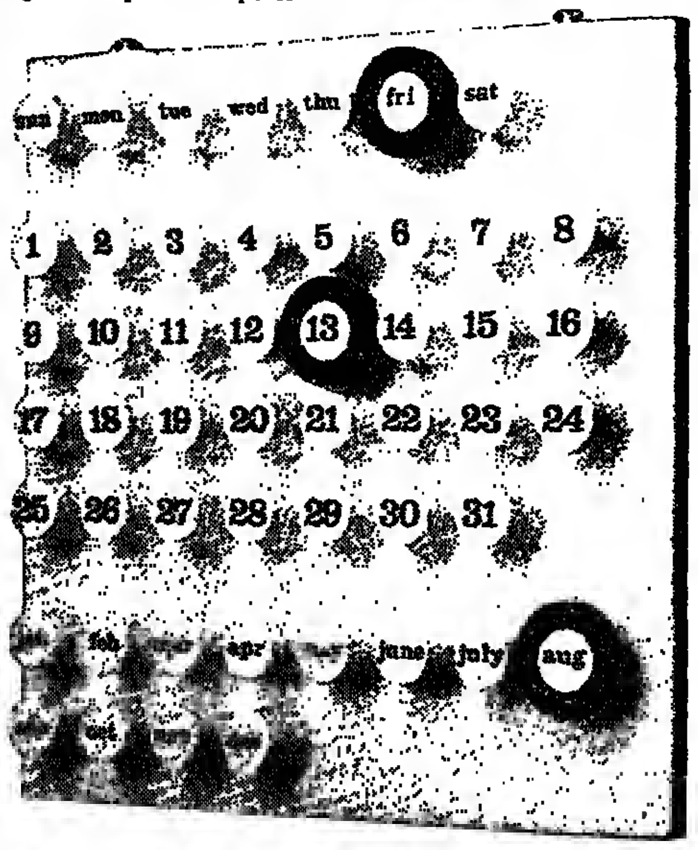
So I hied me to Harrods for a drugget. That was some weeks ago—they wanted six weeks to make it. Then I found dozens of people who didn't know what a drugget was, apart from the fact that it is something I am waiting for.

Well, it is a protective covering for carpets. Strips of the stuff cover carpets in bad weather or when too many people are trooping in to banqueting and similar places.

I have in the office the modern equivalent of the old tough fabric drugget. This is a really strong "C-Through Vinyl Carpet Protective Runner," as the distributor so snappily calls it.

The runner is as clear as the name suggests so that patterns and colours show through it. The underside is spiked so as to prevent slipping but with tiny spikes that will not hurt the pile. The runner is 27 inches wide and costs £1.13 a linear yard. Useful for homes, cars, hotels, anywhere. But do remember one thing. It is pretty bulky when rolled up for storage. Since mine is to be about 12 by 10 feet, I stick to the fabric. I would certainly use this to protect good car carpeting because one would probably rarely store the stuff and, in any case, the pieces would be small.

For information on where to buy the Vinyl drugget, send a stamped self-addressed envelope to AOC of 164 Pinner Road, Harrow, Middlesex. Phone 01-863 7161.



I like this everlasting calendar. Ideal for offices, dens, young rooms, kitchens (if you want the date there, but it look nice anyway) and reception lounges.

Designed in Italy, it is made of glossy, white, moulded plastic, easy to wipe clean or to wash. It measures 18½ inches square. The days, dates and months are on cylindrical pegs. Close-fitting rings grip and frame the appropriate pegs to highlight the current dates. Day and month letters are red, with black framing rings, while figures are black, with red framing rings. It retails at £3.50 (add 35p for postage and packing if you buy mail order). Personal or mail shopping from either F. J. Turnbull, of 28, Ludgate Hill, London, E.C.4, just a stone's throw from St. Paul's; or from Abacus, of 17, Baker Street, London, W.1. not far from the Classic Cinema, near the Marylebone Road end and on the West side of Baker Street.

...ose commemorative items—how their number grows and ...ows and grows. Plates galore, goblets galore, and beakers ...lore, aren't there? This is the first time I have seen a ...mmemorative bell. Of fine bone china, the design is based ... a 13th-century bell used in the days when it was rung to ...l people to hear good news.

So this bell is just to commemorate good news, and not ...y special anniversary, although the maker, Hammersley, ...es feel that Christmas was very much in mind.

The wording, in gold around the inner rim, reads: "When ...u mee ring Ile sweetly sing." The inscription comes from ...ell made for a local Staffordshire family called Rudhall, 1710.

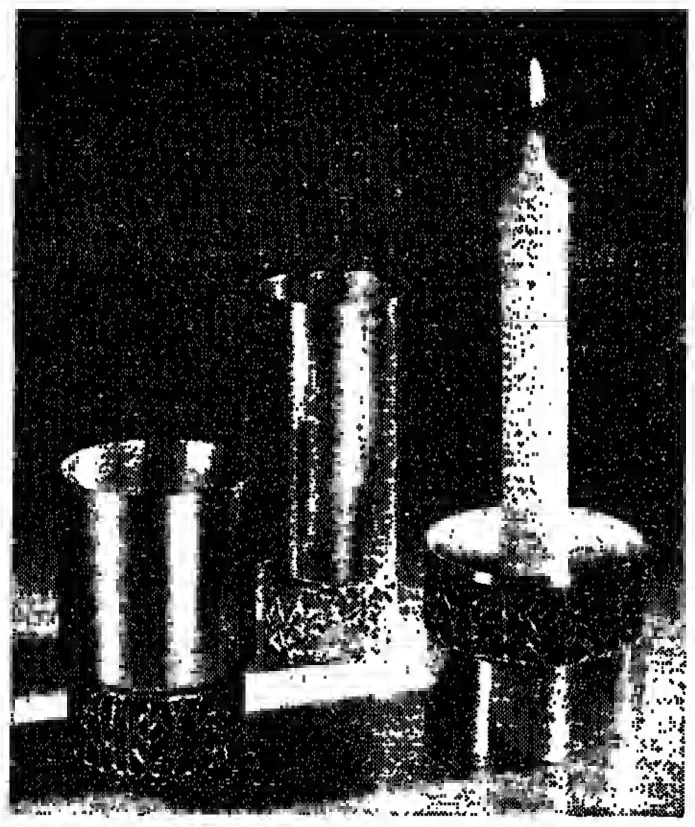
It really is a very dainty thing, in white with golden ...gels. The clapper gives a clear, unmuffled, almost tuneful ...und. It stands about 6 inches tall, with a base diameter ...4 inches and a shoulder diameter of 2½ inches. The selling ...ce is about £4.60, and the maker is Hammersley and Co. ...ongton), of Sutherland Road, Stoke-on-Trent. Write for ...ckists there. Meanwhile, if you are near Lawleys, Thos. ...ode Chinacraft in London, Kendal Milne of Manchester, or ...ners of Edinburgh, you will find the Hammersley Bell there.

● You do not have to love opera and ballet to love the current exhibition at the Victoria and Albert Museum, entitled "Twenty-five years of Opera and Ballet." The concoction of music, film, lighting, and stagey sets comes off to delight the eye and ear, taking you backstage, on stage, into the stalls. Back-up literature, discs, etc., will be on sale and every 500th visitor will get a £2 gift voucher to offset against opera or ballet tickets. Ends October 10.

● Boys of all ages, and a few girls, would enjoy "Chuffs," the dealer in secondhand model railways and other bits and pieces—anything from N gauge to Gauge 2, with Dinkies and pre-war clockwork toys as well. The place is as much a social club as railway shop and always great fun at 2, Broadley Street, London, N.W.8.

So successful has Chuffs been that the City of London now gets a branch. "Son of Chuffs" is at 3, Bucklersbury, London, E.C.4, and the telephone number is 01-248 7201/7309.

● More room at the top with a loft conversion. One good specialist in the work is Crescourt Loft Conversions of 10-54, Roebuck Lane, West Bromwich. Send for leaflets.



Two famous young designers, Gillian Packard and Christopher Lawrence, are well known to FT readers. He for his silver and gorgeous tableware in smooth or rugged silver along with his noble presentation pieces. She for her jewellery which, while as modern as any, is so graceful and sort of restful, wearable with anything on any occasion at any age.

His ernet is pictured here. See the work of both at the special Edinburgh Festival display at Hamilton and Inches, of 87, George Street, Edinburgh EH2 3 EY.

● Galloping Gourmet Graham Kerr is to launch his own range Ovenware, Cookware, and Cutlery, all designed and made to his own specifications to fit in to what he calls "The Logical Kitchen."

I have not seen the range yet—nor, indeed, pictures or photographs of them. So I know as little as you. But the first show will be at Harrods from Saturday, to-day, and stay there exclusively for a fortnight. After that, the range will be at 70 selected stores throughout the country. I understand there is a snub-nosed tea kettle (because spouts break); griddle pan, omelette pan, saucepans and everything made so that cleaning is dead easy. Get names of future stockists from the distributor, Nordiska, of 315, New Kings Road, London, S.W.6.

● Humidification is something on which I get regular queries. So this is a good opportunity to give the address of the Humidifier Advisory and Consultancy Service, which is 21 Napier Road, Bromley, Kent BR2 9JA. There is, incidentally, a showroom at this address. The Centre will send out, free, a leaflet showing the range of available British humidifiers and will welcome the chance to give any information on the whole subject.

Now look at the next column.

Another mystery picture

What with shower cabinets that look like wardrobes and TV sets that hide behind chests of drawers and Chippendale cabinets, we have had our share of "Guess what?" pictures lately.

I am prepared to bet you still haven't guessed what this is unless you read backwards. It is a Humidifier.

The point about humidification is that it protects old furniture from the ravages of dried-out air in centrally heated surroundings. Hence the idea of building a humidifier into a reproduction piece to blend with the surroundings.

French polished, in a mahogany finish, the DB Humidifier has a green, leathered top with gold, tooled border. It stands 18½ inches high by 19 inches long by 12½ inches wide. The water capacity is 2¼ gallons, the motor 230/250 volts.

The price is £45, and it is sold direct by David Burkinshaw Restorations, of 236, High Street, Beckenham, Kent. A free demonstration and delivery service is available in Central London and in a 10-mile radius of Beckenham. Carriage extra to other parts of U.K.

Making the best of a TV set's looks

TV sets may be essentials but they are usually ugly and obtrusive. Yet, I know I'll offend and upset all sorts of good friends who make nice-looking sets, whose designs I have admired.

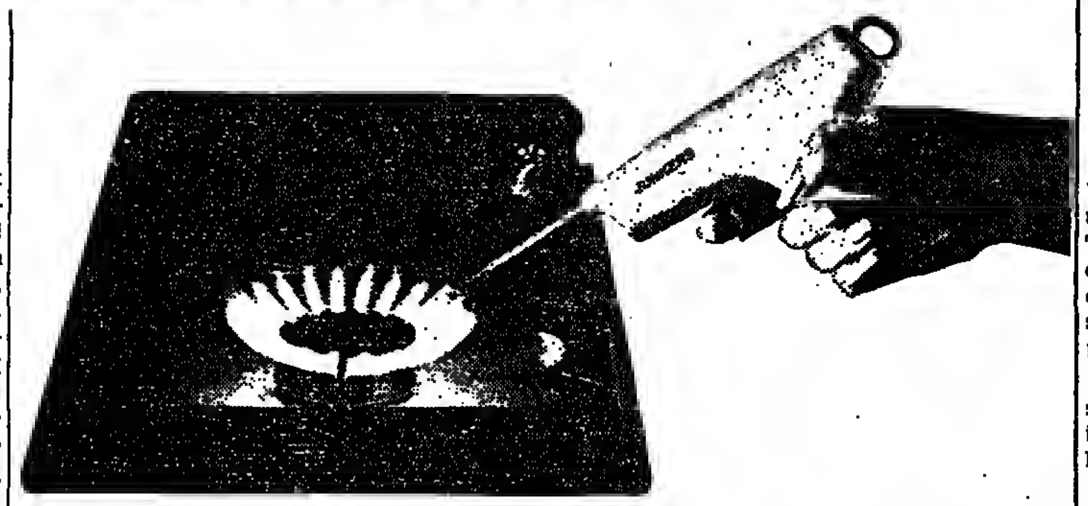
They will remind me of my praise of their new models. I particularly like the new sets from GEC (Radio and Television) of Langley Park, Slough, Bucks. Do ask for leaflets and stockists (write to the publicity department). Some sets are on satiny steel cruciform bases with one slender stem. Others on white, plastic pedestal bases which are reminiscent of the Arkana furniture I like so much. Prices are good, too, as well as the clean lines of these new ranges.

Anyway, regardless of my praise, a TV set is, to me, only comparatively nice-looking. It is still an intruder in any room, or almost any room, however it looks.

All this leads up to a bracket, a wall bracket, on which to stand your set. I cannot show a picture of it because that's the point of it. The bracket is almost invisible. Very well made, very well finished, and very strong, this bracket is made in two pieces. An arm is fixed to the wall, with two giant metal Rawlplugs (supplied) and obviously so as to be amply strong. Another metal piece is screwed to the underside of the set (4 screws). This metal plate slots on to the arm with a hole and peg system. The result is a set that can be easily swivelled from left to right, however heavy it is. It is out of the way, at the right height, and somehow better looking virtually in "mid-air." Essential furniture space is saved.

Another thing about higher-up sets—they are more comfortable to view when lying down. The Broadaker bracket is a good, simple, functional thing which you can buy direct from Broadaker Engineering of PO Box No. 64, Guernsey, Channel Islands. The 18-inch arm costs £5.45 and will hold most sets. Bigger, colour TV sets should have the 24-inch arm at £6.45.

At the risk of boring readers who already know it, I should recall the G-Plan TV bracket at this stage. It goes on to the top of a chest of drawers or similar unit—G-Plan designed it for the build-upon shelf units. The bracket screws on the top of the cupboard and the set is fixed on a sliding platform which is an integral part of the bracket. The set slides out smoothly or pushes back under the shelves. The price is £12.70, and you can see it at the G-Plan showrooms in 24 St. George Street, Hanover Square, London, W.1, or at G-Plan stockists.



The Piezo crystals system, so proven and so good in cigarette lighters, is now firing a new igniter for gas cookers. To recap, deformed crystals set off an "electric" spark which is strong enough to light up a gas.

This is the Junkers Piezo Gas Igniter, introduced here by Evered and Co. (Hardware), of Surrey Works, Smethwick, Warley, Worcs., so get stockists' names from that address—it is in better hardware shops now. The price is about £2.25. I like the fact that there are no trailing wires, as well as its excellent pistol-shaped design, with an easy-to-use trigger. It works on all gas appliances, including bottled gas units, and, of course, it works, like a lighter, without connection to the gas cooker or other unit. About 8½ inches long. It weighs only 5½ ounces and can hang on a self-adhesive wall hook sold with it.

Property and housing

One of two pairs of cottages at Kimberley Green, Norfolk, designed by Norwich architect Clifford Dann for Forehoe and Henstead Rural District Council. Two very dilapidated thatched houses stood on the site before and these sympathetic replacements blend well with their rural surroundings.

Thatch is alive and well

BY JOE RENNISON

THATCHED houses—and more particularly, cottages—tend to bring out the worst in the British house buyer. They all seem to go weak at the knees at the mere mention of it. This is the ideal home at last: visions of quiet rural charm, cosy winter evenings by the log fire, security and prosperity and nice neighbours. While one or more of these elements may come with the purchase, there is no doubt that thatch tends to make arch-romantics of us all.

Perhaps I had seen too many Hollywood Elizabethan mock-ups, or suffered an overdose of lyrical estate agents' particulars with their "delightful thatched and half timbered period residence with olde worlde charm." At any rate it took many years for me to realise that in certain situations and certain rural environments, thatch is, quite simply, "right."

There are still plenty of such houses to be bought, and though they come in a range of sizes they are seldom of manorial proportions. But before I give any examples of the variety on the market, there are a few points relating to thatched houses which may or may not deter you.

The first point which can create problems is finding a building society prepared to give you a mortgage on a thatched property. Though most building societies say they are willing to contemplate any proposal, in practice they tend to be rather conservative, and since thatch and half timbering (many thatched dwellings feature timber in the basic house structure) fall outside the ordinary run of requests, it may take quite a search before you find a society willing to grant the finance you need.

The other major deterrent (it would be so to me but estate agents say it does not put people off) is the cost of insurance premiums, which are high for the simple reason that thatch and timber structures are high on the list of fire risks. One of the large insurance companies described how they assess the factors which have to be taken into account when deciding the level of premium.

Assessment

When they get a request for insurance assessment, an inspector is sent from their nearest branch office who checks on the age and state of repair of the building and the roof. He then inspects the fire precautions in the house, which will take in the soundness of electrical installations and the number of fire extinguishers. Finally, since thatched buildings tend to burn very fast if they do catch light, he has to check where the nearest fire station is, and the nearest source of water.

On the basis of these variables the company decides its premium. As a rough guide, I was told, a thatched dwelling might cost between 62½p per £100 to £1 per £100 to insure, in comparison with a sum of around 12½p per £100 for a brick and tile house.

The risk element in a thatched house means that insurance for the contents is also affected, and here the suggested figures were a rate of between 75p and £1.25 per £100 as against 25p per £100 for a house of standard construction. Though these margins are quite wide, they represent only one company's general guidelines, and if you have a thatched house to insure there is a very good case for using the services of an insurance broker who should be able to find out for you which company offers the most competitive rate for your situation.

I have heard complaints from people who insure their thatched properties through a building society that their premiums are unnecessarily high. If the owner does feel he is paying too much to his building society's insurance company and thinks he can get a lower premium elsewhere, it is surely worth his while proposing to the society that he make other arrangements.

Ancient and venerable though most thatched properties may be, it is obvious that unless there were still skilled men to maintain and renew thatch these houses would long since have been resigned to tile or to decay. Contrary to my expectation, at least, thatching is a thriving industry, and there are currently some 500 working thatchers in the country. What is even more encouraging is that there is an increasing number of new recruits to the industry.

Should you need to get in touch with a thatcher or to ask advice on some aspect of the craft, the Council for Small Industries in Rural Areas or the National Society of Master Thatchers' Associations (a federation of 11 county Master Thatchers' Associations) will be able to help you. Both the Council and the National Association can be contacted at 35 Camp Road, Wimbledon Common, London, S.W.19.

The Assistant Secretary of the Master Thatchers' Association explained that there are basically three types of thatching material, each of which has a different lifespan. The most durable is Norfolk reed, which should last from 60 to 80 years, followed by combed wheat reed which has a life expectancy of between 35 and 40 years. Lastly there is long straw which will last up to 25 years. The durability of the materials is reflected in their price, but beyond this a variety of factors—including the distance which the material has to be carried to the job—affects the quotation which any thatcher will offer a householder.

Bearing in mind the variety of factors which can affect the final cost of thatching, prices per "square"—an area of 100 sq. ft. which is the thatcher's standard measure—would be, very roughly, £35-£40 for Norfolk reed, £25-£35 for combed wheat reed and £20-£30 for long straw. Each of these materials is likely to need a bit of maintainance about half way through its life, and complete rethatching will take two men, on average, between six and eight weeks to complete.

A last thought on thatching material, and one which will doubtless send a shiver down the spine of thatchers and thatch lovers, is the possibility of plastic fire resistant thatch. . . . Reamcrest, who already produce a variety of simulated wood products, say they would be keen to hear from anyone who wanted plastic thatch, though they have not yet tried to produce any. If there are any pioneering spirits among our readers, here is a chance for them to show their confidence in British technology.

There are plenty of opportunities to buy thatched properties in the southern half of England. Just outside Oxford at Yarnton, there is a thatched house known as Tudor Cottage, which is in fact two cottages knocked into one. The thatch was replaced only two years ago, and the house has four bedrooms, two reception rooms and two garages. The freehold of this 16th century cottage is for sale through Buckell and Ballard of Oxford for £10,500.

Delightful

Again in Oxfordshire, Alfred Savill, Curtis and Henson are offering three delightful thatched cottages which appeal to me the more for being stone built rather than timber. The Crooked House at Hook Norton (if those names did not exist, someone would have had to invent them) is four bedroomed and the asking price is £12,000 for the freehold. The White Hart Cottage used to be the village pub for Epwell, and now has four bedrooms and three reception rooms and is for sale for £9,950. Lastly there is a smaller (two bedroomed) cottage, The Old Forge near Banbury, which overlooks open country and for which the asking price is £7,500.

From the countryside of Oxfordshire and a modest £7,500 you could turn your attention to a splendid six bedroom, property at Broom Close, Esher in Surrey where Mann and Co. are asking £38,000 for the freehold of the house and an acre of garden. The thatching, as befits the trim house and garden, looks as though it received weekly attention from one of the more expensive London hairdressers. But making up in charm what it lacks in splendour is a smaller property from the Poole office of the same agents. This is Castle Cottage near Blandford in Dorset, which has three bedrooms and is for sale at £11,950 freehold.

Next week: Burnham-on-Crouch.

The Arts

25 years of Edinburgh drama

BY B. A. YOUNG

This year's Edinburgh Festival is the 25th, which makes it a useful point from which to survey its achievement in the theatre.

In music, the festival need not abide our question; despite the comparative poverty of its choirs and places where they sing, the standards don't seem to have fallen below the high level envisaged when the Festival began in 1947. But organising a festival of music is very different from organising a festival of drama. You can hook your orchestra, your soloist or your opera company to come and play the required stint of Brahms or Verdi between the previous engagement in Amsterdam and the next one in Milan, knowing that the article will arrive complete and ready for use.

Not so with a play. You can't put on *Hamlet* as you would put on *Harold in Italy*.

In its early days, Edinburgh set a standard difficult indeed to maintain, though it still relied extensively on visits from the Old Vic (six out of the first nine festivals) and other repertory companies from England and Scotland. From abroad, there were Louis Jouvet's company and the Renaud-Barrault, the Comédie Française and Edwige Feuillère (the said alliance maintaining its strength); a visit in 1949 from Dusseldorf — Goethe's *Faust*—was a welcome sign, so soon after the end of the war, that in what was boldly labelled an International Festival artistic criteria were to take precedence over political.

By setting so high a standard in the first years, Edinburgh was assured of critical comment as soon as the quality began to drop. "One may as well say at once," wrote that most generous of critics, Eric Keown, in 1959, "that on this year's showing the Festival is running into danger, so far as its theatre goes: to provide only one new play, and that done by a repertory, will scarcely keep its reputation afloat. . . . A string of revivals from the home front, no matter how interesting as collectors' pieces, is no substitute for new plays, and is bound to sadden those simple people who think of an International festival as something quite different."

Nineteen fifty-nine, as it happens, was handled by the Old Vic, the Birmingham Rep and the English Stage Company, plus a revival of *The Three Estaites* and appearances by three Scots rep companies. "This year's festival," wrote Mr. Keown the following year, "seems no improvement, theatrically, on its predecessor"—perhaps an unkind judgment on a schedule that included a visit from Roger Planchon and the first appearance of *Beyond the Fringe*.

It hadn't become evident then that an "international festival" of theatre such as was so lavishly offered in the first few years was no longer on. The need to lighten the post-war gloom had gone; the *nouvelle vague* at the Royal Court had already devalued the old-style star productions; visits from foreign companies had become less of a novelty.

The form in which the drama content of the festival has now, it seems, settled down is less festive than in the old days, but indicative of the increased seriousness that has fallen on the theatre between 1947 and to-day. In 1967, for example (by which time the theatrical scene had expanded from its original confinement to the Lyceum and the awkward Assembly Hall to take in the Gateway and the Church Hill Theatre) the "string of revivals" included Prospect's memorable *Cherry Orchard* with Lila Kedrova; James Earl Jones in *The Emperor Jones*; *Ubu Roi*; and two productions by Frank Dunlop's Pop Theatre that laid the foundations for the Young Vic. New plays included Prospect's admirable adaptation of E. M. Forster's *A Room with a View*; two pieces by Barry Bermange; the La Mama Troupe in *Tom Paine*; and Olwen Wymark's scintillating *Triple Image*.

The following year brought among other things the Citizens' Theatre's splendid *Arturo Ui* and the 69 Theatre Company's *When We Dead Awaken*, with Grotowski for those who could find their way to 11 Cambridge Street. Last year, not a specially successful one, included the Teatro Libero's *Orlando Furioso* in the Haymarket Ice Rink.

The attitude has changed. I don't think it's appropriate any longer to hope for star-studded pre-West End premières; and for collectors the World Theatre Season presents the pick of the foreign companies. The Prospect company has settled down in the spot where the Old Vic used to reign, and if they can produce something as good as their *Richard II* or their *Cherry Orchard* from time to time their welcome is assured, especially as they are so good at using the difficult ambience of the Assembly Hall. Visiting reps from all over Britain should be encouraged only when they have something special to offer: *Arturo Ui* certainly, Leed's *Henry IV* less so. The home team from the Royal Lyceum gave a splendid *The Changeling* last year, and I look forward to their version of Hogg's *Confessions of a Justified Sinner* this year.

As for the International aspect, it is good that we cast our net more widely. The Paris Productions d'Aujourd'hui last year in their Ionesco programme was charming; *Orlando Furioso* was superb; the Combine's anti-militarist revue made up in fervour what it lacked in polish. As long as the Festival directors can be relied on for such offbeat discoveries, they are on the right lines. I am particularly looking forward this year to the Rumanian Bulandra Theatre in Büchner's *Leonce and Lena* (for which the Lyceum has installed a translation system). Whether or not it's a good idea to engage an American company to play *You Can't Take It With You* at a festival of Edinburgh's pretentions is another matter: but we'll see, we'll see.

Essence of eccentricity

BY DAVID ROBINSON

In the normal way of things we would probably be celebrating the centenary of the birth of Nellie Wallace some time about now; but since her official birth date changed so bewilderingly at different periods of her life, we can only estimate that she was born in 1870 or 1871. Later in life she claimed that she was born on March 18, 1882 (which was patently untrue) in Glasgow (which was likely). Her first recorded appearance was as a clog dancer, at the Steam-Clock Music Hall in Birmingham, in 1888. In succession she was billed as La Petite Nellie and as one of the Three Sisters Wallace; and in 1890-91 she was touring in pantomime, as Chee-Kee in *Aladdin*. Then, say the reference books, she "toured in the provinces, in various dramas and comedies"; and it is tempting to speculate what illumination her peculiar talent may have brought to pathetic melodramas like *East Lynne* and *Way Down East*.

"Bun on a Friday."

When she returned to the music hall stage, it was as a single turn: and pictures of the late 1890s show her already fixed in the character that she was to portray for the next 50 years.

She was billed as "The Essence of Eccentricity"; and so she was. Marie Lloyd might realistically characterise cockney waifs or demi-mondaines, women of fashion or ginny crones. Nellie Wallace, her near contemporary, was always the same, an outrageous caricature of womanhood, a grotesque scarecrow figure of the old maid who cannot leave behind all the optimistic yearning of young girlhood.

Over the years her appearance varied little: a bony, birdlike face with a beak nose and over-prominent upper teeth exposed in a permanent open-mouthed leer; thinly pencilled eyebrows high on the forehead; scrags of reddish hair sticking out from behind her ears. Her clothes hung limply on her skinny little frame, and a balding boa clung about her neck ("This weather plays *havoc* with your clothes. Look at it! All out of curl!"). The props varied: mysterious handbags, disintegrating umbrellas, holey gloves and dreadful muffs. ("What a shame! The moths have been at me muff again! They're treacherous brutes"). The spikey button boots were modified with the times; but the hats were constant in form, always surmounted by a leggy flower or feather that bobbed crazily about with Nellie's jerky little movements.

Her best songs she wrote herself, mostly melancholy tales of maidens jilted or deceived, like the heroine of "Geranium" whose lover abandoned her with the parting gift of a potted plant—

And I'll water
His Geranium
Till my true love returns.

She had a style in nonsense that was purely Victorian, and always firmly dedicated to undermining the popular myths of romantic love. "Cuckoo" is a series of pastoral anecdotes about cows and hatpins and bee-stings and brooks and other rustic hazards. "She heaved a sigh" she croons of one of these rustic heroines "That broke the beam they sat on. He tumbled in the stream and murmured 'soon'." The lady thereupon gallantly threw him her cork leg to save him.

Nellie herself literally tripped on to the stage, always experiencing some entanglement of her button boots as she emerged demurely from the wings, before launching confidingly into patter which had the conviction and the foolishness and the same period quality as Dan Leno's. "He was the soul of consideration. Always carried me purse. Said the change did 'im good. Yes, the soul of consideration. Always took me out after dark. Said I looked better in the gloaming." She was one of the rare female comics to play Dame in pantomime; and it is said that her business with the female undergarments in Widow Twankey's washtub had to be seen to be believed.

She was considered very blue in her day; and strong men would leave the theatre in affront at her innuendoes. "I suppose she wouldn't raise an eyebrow to-day," recalls a colleague; "She was a female Max Miller really. And mostly it wasn't what she said at all, but the way she said it. She had a dreadful leer!"

Like other great music hall artists of her generation her main preoccupation in life was the theatre and ensuring that her act was exact and faultless. The apparent casual ease of the best vaudeville acts was painfully won. The perfection of a Nellie Wallace, a Gus Elen, a Vesta Tilley, a Hetty King or a Eugene Stratton was only achieved with the same kind of application and experiment as gave Irving or Martin Harvey their outstanding quality.

No doubt, too, Nellie's work was a consolation to her. She was married to a Mr. Liddy, but both he and their only daughter predeceased her, and she struck people in her later years as "a lonely little thing." She died in 1948, still at work, and still a star, leaving only a few gramophone records and fragments of film as evidence of one of the popular theatre's great comic creations.

Shostakovich 14

BY DOMINIC GILL

Thursday's Prom programme gave us two important symphonic song-cycles by two composer friends, Britten and Shostakovich: strongly contrasting works, the serious, sentimental sunlight of the *Spring Symphony* set against the dark and melancholy backcloth of Shostakovich's fourteenth symphony. The coupling was also apt: the symphony is dedicated to Britten, and it was he who first gave it outside Russia last year in a special concert broadcast from Snape.

Like other symphonies before it (the fourth, eighth, tenth), the fourteenth is a profoundly serious work, concerned with a fundamental human theme: to this extent its manner is symphonic. In texture and style, however, it is for more intimate: like No. 13, it is built around a cycle of vocal settings, but the musical forces (another, indirect tribute to Britten maybe, with the scale of the *Nocturne* and *Serenade* in mind?) are fined down to almost chamber proportions—two singers, 19 strings, and a battery of light percussion, bells, vibraphone, xylophone, woodblocks, castanets, celesta, on timpani.

The symphony's theme is Death. The mood is withdrawn; colours are muted. The action takes place in the reflective and sorrowing sound-world of the quartets. Yet despair is not dominant: there are late-Brahmsian shadows rather, of nostalgia and regret, of powerful impulse drained of passion. The first string theme, heard again towards the end of the work, echoes the Brahms op.118 E flat minor intermezzo, the wistfulness of a minor second and minor third, but here without even the comfort (in potential resolution) of a bass diminished seventh. In this first poem, Lorca's "De Profundis," Shostakovich takes only the bleakness from the words, not their fire or anguish. And in the second poem, also by Lorca, in which Death haunts the tavern, "mingling with the sound of the guitar and the smell of salt and warm blood," the music makes only the smallest concession to life (a momentary heightening of tension, the clack of castanets) before sinking back again into disembodied grief, past regrets.

The central section of six poems by Apollinaire is again subdued by Death, and by a sense (strongly echoed in the music) of loss, separation and despair. There is a very beautiful lament "The Suicide," introduced by a simple dialogue between soprano and cello; two more impulsive lively settings, the first a premonition of a brother-lover's death in battle, strangely sharpened with light irony; and a black song, "In Prison," past hope. Before two final poems by Rilke, Shostakovich sets a short quiet address by the 19th-century Russian poet Küchelbecker, the lone shaft of optimism and relief: "What does persecution matter? Inspired deeds and sweet song are equally immortal." But then "Death of the Poet" intervenes, an impressive, impassioned memory of life and love. The last song, a short duet, brings death itself, "Even as our lips laugh." A sad, uneven, haunting work—not perhaps as forceful or immediate in impact as the thirteenth "Yevtushenko" symphony, but quite as beautifully made. The excellent soloists were Milla Andrew and Nicola Ghiuslev. The orchestra was the BBC Symphony, carefully directed by John Pritchard.

هكذا من الأصل

Saleroom

COLLECTING WISELY

Baedeker and Bohemia

BY DAVID ROBINSON

IN 1829—the same year that Karl Baedeker published his new-style "Guide to the Rhine from Mainz to Cologne"—Vincent Priessnitz, a Silesian farmer, launched the vogue for hydrotherapy, in a bid for commercial exploitation nf the water on his land. Six years later the first German railway wes opened: and a profitable new tourist industry was on the way, as the French and English from the West and the Russians from the East joined the natives in trekking to the newly fashionable spas of Germany and the Austro-Hungarian Empire.

The souvenir business was already an old one. For more than a hundred years travellers on the Grand Tour had been sending back packing cases full of Roman antiquities, Old Masters and Venetian glassware, and keeping the fashionable painters and the art fakers of Europe rich and busy. The new merchant bourgeoisie who took the waters of Ems and Carlsbad and Wiesbaden wanted something prettier and cheaper to take home for aouvenirs and presents.

The glass factories of Bohemia ınd Silesia rose gladly to the ›ccasion. The art of engraved ;lass, which had declined in 'avour, though not in akill, in be latter part of the eighteenth :entury enjoyed a sudden and remendous revival. New techıiques were developed, notably . method of covering plain ʋhite glass with a coloured oating, the design heing cut hrough so as to reveal tbe clear lass underneath.

Vew colours

Chemists developed new colurs. Ruby red remained the ıost popular and the most comıon, with amber and hlue close ehind; but new shades of ıpaz, yellow and green were ıtroduced, notahly the opales:nt shades developed hy the :ctory of Joseph Riedel and uristened *Annagelb* and *Annaiin*. Glasses, beakers, tankards, ıhlets, decanters and boxes ɜre skilfully engraved with lected views of resorts: the eatres, *kursaals*; walks and lonnades of Karlsbrunn and hwalbach and—for some ason the most frequently mmemorated of all resorts—plitz.

By 1840 there was a very conlerahle export market; and ɛ Bohemian glassmakers seem have added English and ench views to their repertoire. me times the Crystal Palace pears on engraved glass of ɜ type; and the unfortunate le "The Monstrous Building Hyde Park" which is occaıoally found suggests that ɜse examples were actually ıde in Bohemia and not, as ne suggest, hy emigré conental glassmakers working at ırbridge.

The forties were the peak. ter 1850 a marked decline set and though the export trade ıtinued to flourish until the l of the century, with America outstanding customer, the ér glass is often very unpealing, with the colour inted instead of being ashed" or fused on, and the graving crude and shallow.

The early period produced ne notable engravers however: Dominik Bimann, August hm, A. H. Pfeiffer, Carl Pfohl d the dynasties of Pelikan in ısterdorf and Simms in Gabız. Even the anonymous work the 1830s and 1840s (and actically all the "spa glass" ich is likely to come the way the ordinary collector will be signed) maintains very high ndards with free drawing, l highlights such as water and dows skilfully picked out h the polishing wheel.

Subjects were not confined to ographical views. There was great vogue for hunting nes, with a special and racteristically Victorian preɛction for stage. In the early rs, too, there was a fashion engraved portraits; and like modish Italian painters of eighteenth century, the ıemian glass painted tended migrate in pursuit of the tourists. Bimann, for instance, worked in Prague in the winter, hut always spent the fashionable season at Franzenbad.

"Spa glass" is eminently collectable: there is still a fair amount scattered ahout the antique shops, with prices for quite acceptable small examples starting at around £5 to £10; though if you found a good Bimann portrait plaque it could be anything between £1,000 and £2,000.

In London the expert is Richard Dennis in Kensington Church Street, who has a very good selection among his large stock of glass and art pottery, and whose approach is refreshingly more scholarly than commercial. A good example of the earliest, uncoloured souvenir glass, with four charming views of Baden in the 1820s costs £25; in his shop; a highly decorated on*nage*lb beaker, with gilding, is £40; a massive red goblet with fat Germanic putti entangled in vines is £58; and the fine gohlet illustrated here with its beautiful engraving of a startled horse, in the manner of Carl Pfohl, costs £160.

Among the most evocative items sometimes found are little measures, with one view only, which were evidently sold in the spas for use when taking the medicinal waters. These can often be bought for under £5 apiece. Scotts of Halkin Arcade also have a selection of good quality examples.

Collectors have different approaches: some collect on the strength of colour, while one elderly lady huys only ohjects engraved with views of Karlshrunn, perhaps on account of some ancient nostalgia. "Spa glass" is admittedly a matter of taste. There is something determinedly un-smart ahout the Biedermeyer style; and sometimes the decoration of this glassware could reach a peak of horrid and vulgar excess. You have to he selective; and even then it is not always easy to display a collection successfully. In showcases or in the Biedermeyer Home spa glass looks well enough; in other decors it can appear uneasily over-dressed.

For this reason alone it is hard to predict any spectacular rise in value, although the market in all kinds of Bohemian glass received a considerahle hoost with the sale of the celebrated Beck collection in 1964, when a Bimann portrait plaque realised £1,650. Anyone who collected a decade or two ago, when prices ranged from a few shillings to a few pounds bas reason now to feel self-satisfied. A fairly steady rise should continue as supplies are drained by the steady export demand. Mr. Dennis says that he sells a great deal to Italy and the Middle East, with a gradual increase in interest from Germany and the United States ("for the carriage trade," the American dealers say). If you like it, you like it; and you can at least feel confident that your collection is not going to lose its value.

Route fixed or 3.3-mile M66 section

ROUTE of the 3.3-mile-long hern section of the Bury erly By-pass (M66) has been roved.

will have 36-foot three-lane carriageways, and will begin a three-level interchange at ster at the junction of the ashire-Yorkshire Motorway 2) and the Middleton Link), which were opened to ic on August 3.

e by-pass will pass to the of Unsworth, Hollins Vale Gigg to join an interchange Rochdale Road (A58) at i Bridge, Bury. Work could on this section in 1972 subto the availability of funds the completion of the reıng statutory procedures.

oposals for the northern on of the by-pass will be ished shortly.

Pakistan in barter deal with Romania

By Our Own Correspondent

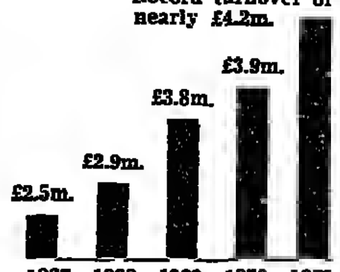
KARACHI, August 20.

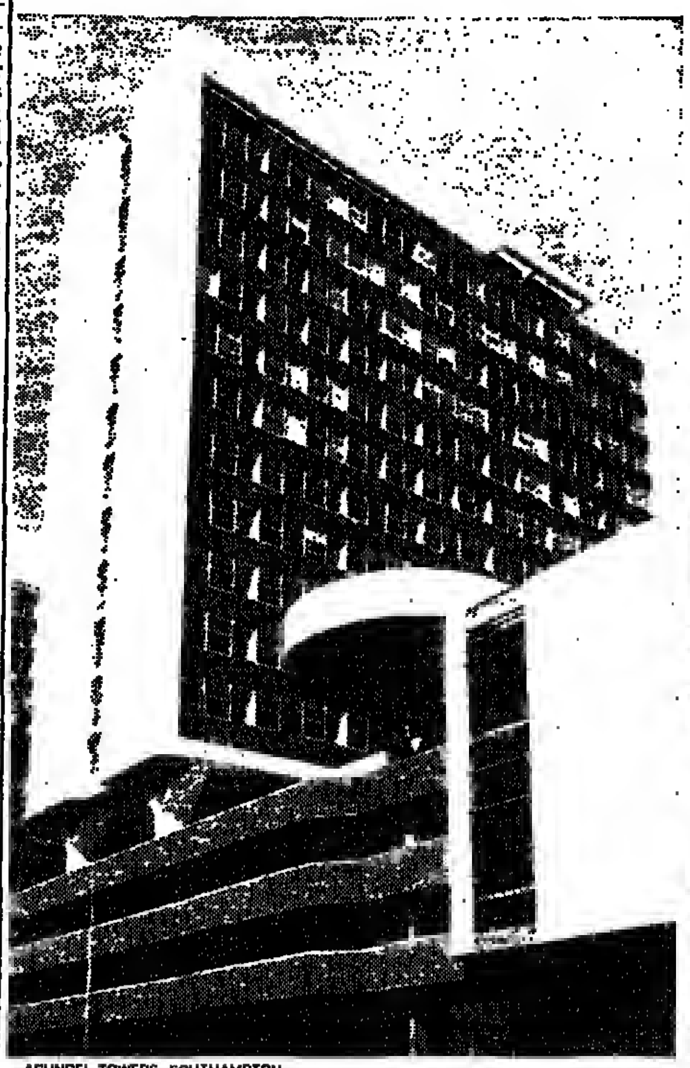
PAKISTAN and Romania have signed a commodity exchange agreement for 1971-72 which comes into force immediately and will remain valid up to December 1972.

Under the agreement Pakistan will export to Romania raw jute, jute goods, raw cotton, raw wool, goat skins, cotton textiles, woollen textiles, cotton yarn, jute carpets, machine-made woollen carpets, medical and surgical instruments, leather and leather products and other miscellaneous goods.

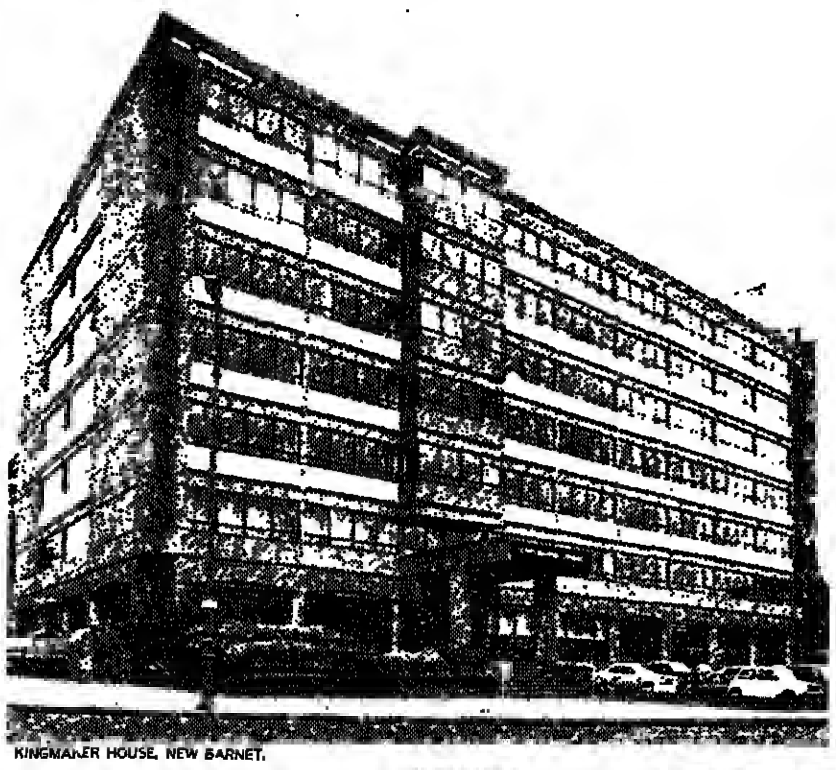
Exports from Romania will include pesticides, aluminium ingots, petroleum and chemical products and building and road construction machinery.

SALEROOMS

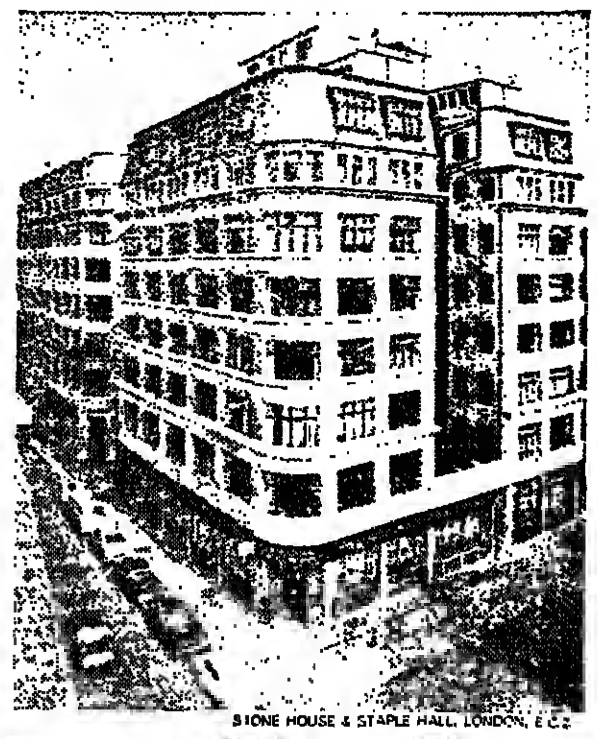




ARUNDEL TOWERS, SOUTHAMPTON.



KINGMAKER HOUSE, NEW BARNET.



STONE HOUSE & STAPLE HALL, LONDON, E.C.2.

40-53 BEDFORD SQUARE, LONDON, W.C.1.

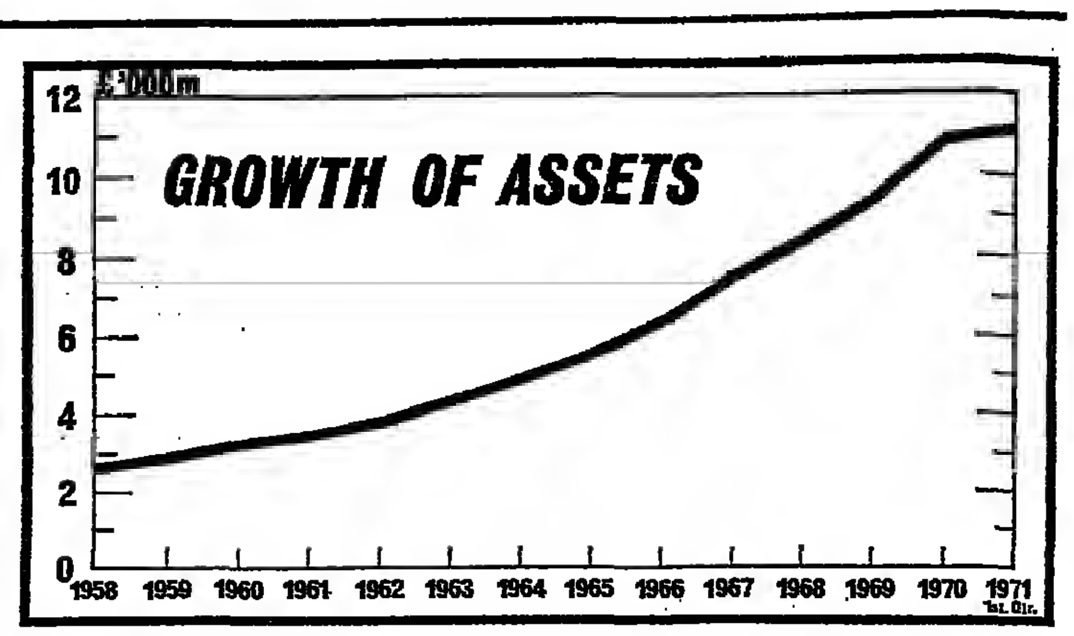
Five of eight major properties in the Abbey Property Bond Fund with an aggregate value of £23,000,000.

BUILDING SOCIETIES

FINANCIAL TIMES SURVEY

Riding the crest of a wave as funds pour in

By SANDY McLACHLAN



The building society movement is currently riding the crest of a wave. Funds are coming into the movement at an unprecedented rate and are being lent out just about as quickly: building societies have always admitted that in modern times there has been an indefinable demand for home finance which they were not able to satisfy, but it is clear that even the societies themselves have been more than a little surprised at the demand for funds which the recent availability of money has triggered off.

Seen in perspective, the performance over the last couple of years is little short of staggering. In the 20 years from 1950 to 1969 the movement's lending for house purchase rose sedately, and with some fluctuations, from £270m. to £1,559m. In 1970 there was an uncharacteristic upward surge to within a whisker of £2,000m., and the estimated figure for 1971 of £2,500m. may well be exceeded if the movement keeps up its current momentum.

These figures are reflected in the increasing power of the building society movement in the financial field. In terms of total assets they are already clear in second place behind the life assurance movement, and on current performance they are catching up fast. The National Savings movement has been left well behind, as have the clearing banks.

The dynamic factor in this growth is of course the net inflow of funds to the movement. Back in 1969 building societies were struggling to maintain an average net inflow of £80m. a month to meet their estimated lending figure. So far this year the net monthly inflow figure has ranged between £118m. and £197m., taking into account interest credited to depositors.

While clearly highly delighted by this availability of funds, the building societies are treating the situation cautiously, as well they might do. It is clear that in no small measure the rapid upsurge in the inflow of funds is due to extraneous factors rather than to any long-term change in the inherent attraction of building society investment. Over the last couple of years the building societies have introduced a number of new schemes — SAYE, insurance linked and the like—but these have had a minimal effect on the overall cash intake.

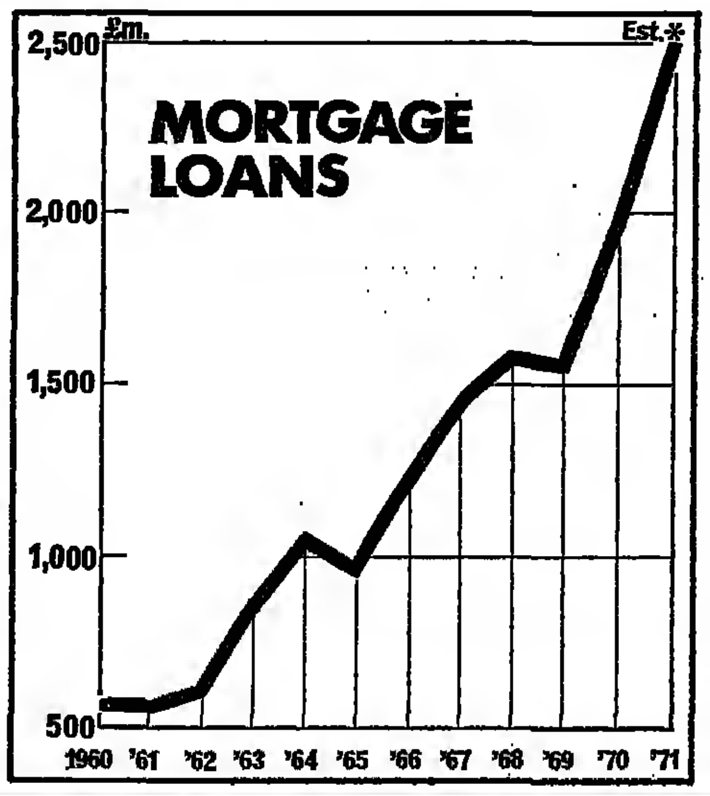
Currently the high inflow can be attributed in part to the fact that building society rates are relatively attractive to the small saver, who has always been the backbone of the movement. But the unquantifiable effects of a dull stockmarket and uncertain investment outlook make the movement wary of sudden change in rates, since societies must be sitting on a certain amount of potentially "hot money." They have experienced rapid transitions between relative plenty and mortgage famine before.

New background

Leaving this question apart—it is treated elsewhere in this survey at greater length — the building societies are finding that size brings new considerations. They are operating against a new background: one where controversy exists about the adequacy of the current housing stock (in terms of quality as much as numbers) and what will be considered adequate say five years from now. At the same time the financial power of the movement means that it exercises a substantial influence on the housing market. There is a growing case for tracing a relationship between private housebuilding starts and the availability of mortgage finance. And within the housebuilding cycle it seems clear that the availability of building society money can exercise a noticeable effect on the rate of growth in residential property prices.

The fact of their size, and their increasing predominance in financing house purchase means that building societies can no longer simply act as passive vehicles for providing money. Already they have had an effect on acceptable standards of new housing in the private sector: building society lending on new houses is now conditional on a National House-builders Registration Council guarantee, which makes membership of the NHBRC (and the consequent adherence to its standards) a must for virtually all private builders.

In the current political climate building society participation extends still further. The "fair rents" policy of the present Government aimed at persuading public authority tenants to switch to buying their homes is heavily dependent on building society co-operation and more particularly, building society cash.



Clearly then building societies are reaching the stage where they will play a part in shaping the housing market as well as financing it. Their very size ensures that this will happen without any conscious effort on their part, but more and more the movement is coming round to the view that building societies have a responsibility in this respect.

This becomes increasingly important as one looks forward. Quite apart from the trends in net inflow the building societies will have the benefit of a continuously increasing flow of mortgage repayments. The figure should top the £1,000m. mark in the current year, and it may well have doubled by 1977, and be over £3,000m. by 1981—or 50 per cent. more than the total 1970 lending figure.

Real strength

Of course the natural expectation is that house prices will continue to rise over the period —although probably not at the current rate—so that inflation will mop up some of this extra cash. However, it is obvious that the real financial strength of building societies will go on increasing.

With projections like these in mind the building societies are devoting a good deal of effort and research to identify the characteristics of the market in which they operate. Much work is being done on why people move, and to discover what they want to move to.

Another avenue which is being carefully explored is the possibility of direct building society participation in major programmes of urban renewal. Progress here is slow, partly since it could not be accomplished under the existing restricting building society legislation, and partly because the movement is ultra-conscious of the need to preserve its image with the depositor. However useful building society money might be in property redevelopment it is not the movement's traditional field of operation, and is not likely to become so to any marked degree.

However, given the size of their total resources, even a small proportion of the building societies' money could make a big impact on the housing equation. Already there is some building society finance for the private housebuilder at rates of interest which he could not obtain elsewhere. The need for greater co-operation between the builder and the society is gradually being accepted, and with funds relatively plentiful the building societies are better able to help the housing societies as well. The next step of co-operation with local authorities must surely come in time.

But while the building society movement is exploring its new responsibilities it is equally alive to its old ones. It is, after all, the depositors who provide the cash which building societies have to lend, and the investment package which they are offered is unique.

No one has ever fully explained the attraction of a building society investment. It is certainly appropriate for large numbers of people, but at the same time it continues to attract funds from people—for example those who do not pay tax—who could be much better accommodated elsewhere.

Within the movement the general belief is that absolute security of capital plus easy withdrawal facilities and reasonable yield is the basis of this attraction. To some also mortgage priority may be important.

There is no doubt that the rock-like stability of the building society movement has proved to be an attraction when other seemingly safe havens for funds have not lived up to their reputation. At least some of the money currently coming in must be traced to the Government's "lame duck" policy.

Rapid action

To some extent the oddest event in the building society world for the *last few years* may even have helped its security image. This was the much-publicised run on the Derbyshire Building Society in the wake of the Rolls-Royce collapse. False rumour and a fair measure of panic caused a totally unnecessary rush to withdraw money from the Derbyshire. Within 24 hours something like £20m. in liquid resources had been pledged by other Building Society Association members to tide the Derbyshire over.

In the event the run stopped about as quickly as it had started, and contingency plans to bail the Derbyshire out by a merger with a bigger society proved unnecessary.

The real success here was not in safeguarding the Derbyshire depositors: in the building society world this would have been done as a matter of course. Instead it was the rapid action which stopped the run and quickly restored the Derbyshire to an independent society trading normally again. Although the situation was entirely different in the Vehicle and General Insurance collapse, people were quick to point out the contrasting roles played by the Building Societies Association in rallying round the Derbyshire, and the British Insurance Association, which virtually washed its hands of V & G.

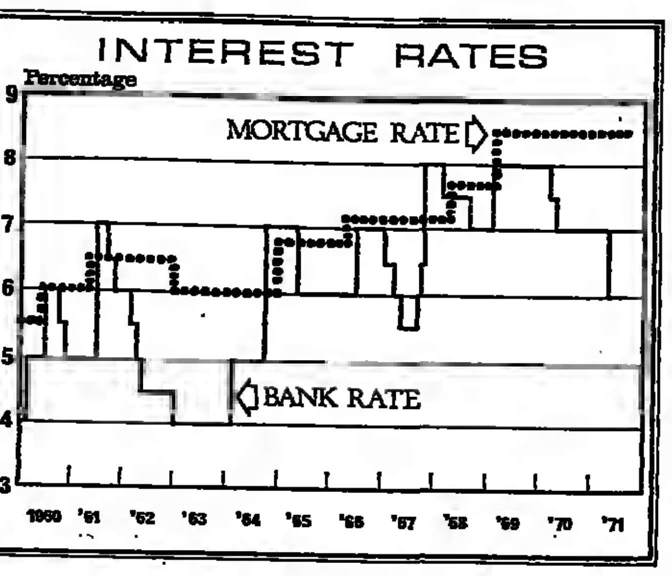
The building societies, in spite of their current success, still come in for criticism, *largely as a result* of their innately conservative approach to life. While other commercial organisations are moving rapidly towards unsecured lending as the rule rather than the exception the building societies still shy away, even from 100 per cent. mortgages, and other examples could be quoted. However, their strong position has its roots in a provenly successful investment package, and with the pace of growth over the last two years they are becoming a lot more imaginative in their thinking about the part they will come to play in the future housing pattern.

BUILDING SOCIETIES II

Renewed argument on the level of mortgage rates

By SANDY McLACHLAN

The building societies are currently under fire to bring down their interest ratea in order to reduce the cost of house purchase. This is by no means an unusual occurrence, and it is one they have learnt to live with. However, with money coming in at an unprecedented rate, and with the mortgage rate unchanged in spite of two Bank Rate reductions, is there perhaps some justification for the current pressure?



The argument runs something like this: Those for the lower rate point out that the building society lending rate (the argument for lower rates is usually couched in terms of the lending rate) went to 8½ per cent. shortly after Baok Rate hit a renewed peak of 8 per cent. back in 1969. Since then Bank Rate has come down to 6 per cent. but the mortgage rate bas not moved.

The building society counter to this is to point out immediately that their rates have never been tied to Bank Rate. They reinforce this point by saying that demand for mortgages is running at a peak and that they are lending all the money they can take in, so why should the rate come down?

Retaliation from the lower rate brigade is swift. What about the building societies' liquidity ratio? The legal figure is 7½ per cent. while many societies are currently around the 18 per cent. level. This suggesta that societies are by no means fully lent, and that record lending could still be maintained at a lower Interest rate (with presumably less funds coming in becausa societies would have to offer depositors a less attractive rate) by running off some of the fat implied by the high liquldity.

Building societiea have sevaral answers here. Two of the most common are that in the first place mucb of this liquidity is notional since it Is tied up in mortgages committed but not yet completed, and secondly that the legal liquidity ratio beara little relation to reality. The argument bere is that absolute aecurity is part of the package deal offered to depositors, and that a aubstantlal liquidity ratio (few societiea would be happy to drop much below 14 per cent.) is a necessary prerequisite.

Equity stake

This sketches in the background, but how should one evaluate claim and counterclaim? Perhaps it is best to start by polnting out that although the subject is highly emotive, marglnal movements in the rate do not make an outstanding difference to the level of monthly mortgage repayments. At the same time the income-tax payer gets bis mortgage for a cost of just under 6 per cent. after tax relief and ioto the bargaio be gets an equity stake of up to 95 per cent. in his property for a depoait of the balance: not a bad deal on the basis nf past performance in residential property prices.

This helps dispose of the emotional argument, but as mutual organisations building aocieties owe equal allegiance to both ends of the bargaio, and it is not really fair to drag in property price performance to this particular argumeot. It is, after all, at least theoretically possible that property prices might start going down, whlch would completely alter the picture.

However, the building society case is a strong one. The societies argue that the intarest rate structure is finely balanced at present, and that any downward revislon of rates could bave a big adverse effect on net inflow of funds. Meanwhile mortgage demand is running high (and in the past the movement has been criticised for operating a rate structure which paid too much attention to the interests of existing borrowers—by keeping rates down—at the expense of latent potential demand which remained latent because funds were in short supply).

On the demand side, too, the building societies bave to bear in mind the poteotial increase in demand for funds which may result from the present Government policy of fair rents: bringing public sector rents into line with the going market rate which will act as an incentive to persuade people to buy their own bomes.

On tha supply of funds aside the building societiea have to face the possibility that much of the mooey they have takeo in over the last year is merely seeking a temporary haven. This could easily be the case since security of capital has been at a premium since the Rolls-Royce and Mersey Docks situations where a supposed blue chip turned out to be worthless and a supposed gilt-edged stock turned out to be no such thiog.

Competition

A further point bere is that for much of the recent period of building society strength the stock market has been weak, and unit trusts bave offered little real competition for funds. Wheo a new bull market is firmly established in people's minds the building aociety movement will have to face, almost certainly, a steady outflow of funds back to equity investment.

The movement must also take into account the likely future trend in interest rates: there would be little point in a cut if a switch in U.S. monetary policy is liable to put worldwide interest rates back on an upward path.

However, granted all these factors, the building societies are not likely to keep up the current breaknack pace for ever, and in spite of their protestations to tbe contrary there is a case (indeed with some support inside the movement) for saying that liquidity is too high. Certainly if money continues to flow in at the current pace there is likely to ba growing support towards the end of the year for a reduction in tbe mortgage rates.

Insurance-linked savings schemes

By KEITH LEWIS

In March, 1969, the Bristol and West Building Society became the first to launcb a savings scheme linked to life aasurance. Since then this type of building society business has mushroomed to the extent that there are now an estimated 80 different schemes available. However, it is significant that much of the initiative aince B and W's pioneering effort has come from the large life assurance companies, which have tended to seek links with the societies. There are now roughly twenty lifa assurance companies involved in this sort of business.

The strange thing is that they have not been at all successful—at least from the building societies' point of view—though the concapt has considerable appeal. The total inflow of funds to the building society movement to date is put at £3m., of which Bristol and West accounts for about half. The next largest ia the Abbey National (£826,000 at the end of 1970) and the remainder are all relativa minnows; Nationwide (£100,000), Bradford and Bingley (£90,000), Cheltenham and Gloucester (£262,500), South of England (£186,000), Halifax (£73,000) and Liverpool (under £40,000), while there is a preponderance of those under the £10,000 mark.

Put those figurea in the context of the £10,000m. plus handled by the societies and one has some idaa of perspective. Even Bristol and West, which haa achieved the most effective penetratlon, can only claim to have attracted £1½m. in relation to its £165m. of total assets.

Closer look

Taking a cloaer look at the schemes themselves one can at first generalise by saying that tbe life assurance elemant is invariably tiny. In its simplest form, the Idea is to pay a monthly insurance premium (which gives cover to the policyholder of at least fifteen times the annual premium so as to make it a qualifying policy) so that the tax relief—15½ per cent. of the premium to the standard rate taxpayer—pays for the life cover. An example shows that £84½ in annual premiums buys £100 of scheme, with £92 actually going intu the savings account; this explains how the operators can claim that even initially one's money is increased. And, of course, the building society rate of interest compounds on top of that.

One slight disadvantage is that the rate of interest on a "linked" account is slightly less than on an orthodox savings account. Tbe reason is that the Inland Revenue collects tax from the societies at an averaged rate of 31 per cent. to allow for those savers wbo pay at less than the standard rate of 38¾ per cent. and who could not otherwise reclaim any possible differential. The fact that there must also be a considerable aaving to the revenne authorities in administrative costs is another factor. In contrast, the tax liability to the assurance linked investor reverts to the norm—though in practice this is probably a very minor consideration.

Split option

The appeal of this type of scheme is its basic simplicity, but the trend towards finding further variations has blossomed. For example, Bristol and West brought out an assurance policy backed by M and G Trust Assurance (a subsidiary of one of the most respected unit trust groupa), which the policybolder can adjust to suit at the end of each year. Someone who feels that Ordinary abares have risen a long way and are therefore unlikely to appreciate further over the next 12 months can opt for 75 per cent. of the insurance premium to be invested in a building society account, with the remainder in equities (both sums struck after dednction of life assurance cover). The converse can, of course, also be applied if the Stock market appears to be embarking on a rising trend, or, alternatively, a 50 : 50 split will be applied if the policyholder leaves it up to the society.

Another variation on the theme is the Abbey National's tie-up with Property Growth Assurance, the latter being the third largest property bond operator. In this case the premiums are balved, with one portion going to the building society and the other being channelled into a Property Fund (which invests directly into property). However, it bas been pointed out that since this is a single premium contract, and therefore non-qualifying for income-tax relief, it could be cheaper to invest in both forms individually. There is, of course, the argument for convenience.

The other advantages of these schemes are that, as opposed to a straight equity or property linked policy, the penalties for early surrender are very small and in most cases after the first year it costs nothing to liquidate. It is also far quicker to cash in a policy of this type and another perk is the mortgage preference aspect.

It is clear that tbose most likely to beocfit from these schemes are the higher rate taxpayers, particularly those in the aurtax bracket. Every person is allowed to have one sixth of gross annual income—less superannuation, expenses and mortgage costs—going into life assurance. Any surtax payer wbo finds a aurplus out of this one sixth towarda the end of the tax year can place funds in a plan sucb as this and qualify for tax relief.

Similarly high taxpayers can find a hedge in the SAYE building society plans which are parallel (but not part) of the National Savings movement. It is estimated that of the £1,462m. brought into building societies in 1970 about £17m. came through SAYE. The snag here is that the investor has to enter into a contract to save monthly amounts for five yeara in return for a bonus equivalent of 7 per cent. compound per annum free of tax. For the standard rate taxpayer this is equivalent to 11½ per cent. gross and for surtax payers the benefits are clearly far greater.

New ceiling

However, there are limits to the amount that can be invested, with the ceiling at £10 per month at present and only one building society scbeme can be invested in per caplta. This maximum is to be raised with effect from September 1 to £20; therefore a husband and wife can bave £40 a month. Furthermore, while these scbemes are on the same basis as the National Savings one can bave an SAYE saving in both a building society plan and an orthodox savings plan. In this way the maximum that a surtax paying couple can plough into these plans will be £80 at the start of next month.

In conclusion, it would seem that the vsrious schemes bave considerable potential but in the meantime are likely to find most support among the high taxpayers. From the building societies' point of view, the new ventures can hardly be seen as successful fund raising operations, though no doubt there has been considerable benefit on the goodwill front.

BUILDING SOCIETIES III

Backing home ownership

By MICHAEL CASSELL

The pattern of housing in Britain is currently developing in a way which can only mean continued growth in the volume of business undertaken hy the nation's building societies.

A vast amount of time, energy and money is spent each year by the construction industry in attempts to gauge the pattern of future demand for housing and, although their forecasts can be confounded by a multitude of factors, a general trend is discernible.

The Economic Development Committees for Building and Civil Engineering, which themselves have been known to change tbeir minds quite frequently about prospects, suggested at the time of their last industry forecasts in March that private builders could hold some 60 per cent. of the total U.K. housing market hy the end of this decade, compared with just over 48 per cent. last year.

The Committees see an annual rate of private house completions of between 215,000 and 245,000 units by 1974 alone, compared with just over 170,000 in 1970. But at the same time, they forecast a dramatic decline in the level of council bouse completions, from a peak of 203,000 in 1967 to only 140,000 hy 1974.

Perhaps even more significant is the way the balanee bas actually sbifted in recent months, although it can be most unwise to read too much at once into construction industry statistics which cover a relatively short space of time.

Nevertheless, the June housebuilding situation—no later figures are yet available—serves to highlight wbat is expected to hecome tbe future pattern. These statistics sbowed that while more private hnmes were completed during this period than in any month since the end of 1968, the nnmber of council bouses finished fell to one of its lowest points this year. Tbe starts picture was lhe same, with the privale sector providing the best results for two years while council house starts were very low.

There seems little reason, either, wby the swing away from local authority housing work sbould cbange dramatically in the future. An apparent desire on behalf of a large sector of the population to own their own homes—with security and investment factors uppermost in their minds—combined with the present Government's determination to encourage owner occupation, should set the seal on the future pattern of house building for some time to come.

Builders' view

Builders, however, bave to be fairly well convinced of the future strength in demand before they embark on expensive housing development programmes. Too often in the past they have had new houses left on their hands for far too long and, quite understandably, they would not wish and could not afford to repeat the situation again.

Finance, too, has played a major part in containing housing projects in the last few years. Money has been particularly tight—acutely so for the small man — but with the liquidity outlook now loosening up, contractors appear to be a little bappier to embark on bouse construction work.

They are also aware that mortgage funds have never been more available, a major factor in assessing the saleability of their product. The relevance of this last point cannot be too strongly empbasised and some very pertinent remarks on the subject were made last month by Mr. Leonard Williams, general manager of the Nationwide Building Society.

Mr. Williams told a House Builders Registration Council conference in London that in 1969 and 1970 there was a pronounced swing away from new house buying. The proportion of building society money going to new houses fell even at a time when funds were scarce, he stressed.

He described the situation as "alarming" and then went on to explain tbat the pattern of demand had not changed, the reason for the development was that the new houses were not there to buy and some builders bad missed an opportunity.

Mr. Williams concluded that there was, therefore, a need for much better planning and forecasting of future demand, as well as a need for closer co-operation between the construction industry and building societies in an attempt to match house completions with periods of relatively high mortgage availability. Tbis, he suggested, may well mean greater willingness on the part of the building society movement to provide short-term construction finance.

Urban renewal

He stressed the point that confidence on the part of the builders themselves was necessary to feed the growth of the new house market and tbat they would bave to adopt a "more competent and aggressive" marketing policy in future. In the longer term, the market for new homes would depend upon the rate of demolition of older houses and the industry should take steps to promote more effectively the philosophy of urban renewal where it was clearly a better solution than rehabilitation.

On one point, everyone appears to be in agreement. There is a desperate need for enlargement of the nation's housing stock. The Government has admitted that there are about 1.5m. slum houses which had to be cleared away to make room for new development and another 4m. homes which could well go the same way without urgent improvement work being carried out.

Britain's building societies are now in a better position than ever before to help people like these make home ownership a reality; whether or not the househuilders are prepared to take risks to meet the challenge remains to be proved beyond all doubt.

HOUSEBUILDING IN BRITAIN
(monthly averages—'000 dwellings)

	STARTS			COMPLETIONS		
	Public	Private	Total	Public	Private	Total
1966	15.5	16.1	31.6	15.0	17.1	32.1
1967	17.8	19.5	37.3	17.0	16.7	33.7
1968	16.2	16.7	32.9	16.0	18.5	34.5
1969	14.7	13.9	28.6	15.4	15.1	30.6
1970	12.8	13.8	26.6	15.1	14.2	29.3
1971—January	7.9	12.6	20.4	12.8	14.2	27.1
February	10.6	12.4	23.0	11.2	12.0	23.1
March	11.5	15.7	27.1	17.6	14.3	31.9
April	14.6	16.5	31.1	12.6	14.2	26.7
May	13.3	16.5	29.8	13.1	14.5	27.6
June	11.3	18.8	30.2	12.4	16.7	29.1

The movement and its image

By NORMAN GRIGGS, Secretary-General, The Building Societies Association

The public image of any institution is difficult to assess—particularly from the inside—but judging from Press criticism and such complaints as arrive in this Association's post bag, understanding of the way in whicb building societies work has improved immensely over the past decade.

Trouhle on the public relations front blew up early in 1952 wben money rates started to be used by the Government as an instrument of financial policy. This necessitated an increase in the building society investment rate from 2¼ to 2½ per ceot. and a coosequent increase to 4½ per cent. in the mortgage rate, which had hcen static at 4 per cent. since 1945. Borrowers, who had largely ignored the small print in their mortgage deeds, suddenly discovered that they had entered into what seemed to be one-sided contracts which permitted their rate of interest to be raised after a short period of notice.

Since 1952 these rises continued steadily np to the current level of 8½ per cent., so there is little wonder that the public image of the societies suffered and that a giant exercise was needed to explain why institutions which borrowed short and lent long must, if they were to survive, keep the rates they paid and charged consistent with market conditions.

Explanation of the true position was not belped by the intervention of politicians who failed to understand wby low building society rates could not go hand in hand with a plentiful supply of mortgage fonds. Judging from tbe reaction to the last rise in April 1969, however, the battla seems to have been largely won and the reasonableness of the case established. If building society rates are kept below the market level, a mortgage famine sets in wbich not only affects prospective bome buyers but also existing borrowers who wish to sell their properties.

Trustee status

The second way in which the societies' image was dented was through the activity, during the 1950's, of certain fringe societies whicb, working within the letter but not the spirit of the then building society legislation, offered high rates to investors to attract their funds, which they then used in speculative property deals. Tbese mal-practices culminated in the crash of the State Building Society, which shocked the Government into tightening up the law and offering reputable building societies a ballmark of respectability through trustee status. Membership of the Association started to mean more to the public and this was recently reinforced by events in Derby where, within hours of the crisis emerging, no less than £20m. was offered by other members of the Associatiou tn bolster the liquid resources of the society concerned.

It would be dangerous to become complacent, bowever, and there are one or two areas wbere criticism remains a hardy anoual. The first nf these relates to the valuation of a property whicb is the prerequisite of a building society loan. The borrower pays for this. Why is a sigbt of the report denied him?

The answer lies in the word "valuation," wbich does not imply in any way a full structural survey. The valuation of a £4,000 house costs £9, whereas a full survey to protect the purchaser might well exceed £30. Valuers are only prepared to work on the lower scale if the purebaser bas no redress against them. An increase in fees would affect all borrowers, including those acquiring a new bouse with a NHBRC certificate.

Building societies bave given the problem much thought, but in an imperfect world it is difficult to improve on the present practice. If the mortgage application is turned down or the valuation is well below the purchase price, the society will usually indicate the reasons.

Loan policy

Another frequent criticism is the reluctance of societies to grant 100 per cent. loans. There are a number of reasons—discouragement of thrift; the inflationary effect on bouse prices; the increased cbance of the mortgage going wrong in the early years; the fact that the home-buyer tends to regard himself more as a renter—but, in reality, it is now a good deal easier for a man with a fair income and no capital to obtain a 100 per ceot. loan. Option borrowers are catered for by a special guarantee schema and there is little to choose under current conditions between an option mortgage and one with tax relief. In practice, few 100 per cent. mortgages are requested because income is usually the limiting factor on the amount which can be borrowed.

The third, and probably more justifiable criticism, lies in the charging by a building society of additional interest when a mortgage is prematurely redeemed. The Association has recommended that the additional cbarge sbould not exceed an amount equal to three months' interest on the outstanding balance and that no charge should be made where redemption is effected after a maximum period of five years. Nor should there be a charge in cases of hardship or where the borrower is purchasing another house with a loan from the same society.

A good case can he made out for charging additional interest if the redemption takes place very early in the life of a mortgage hecause a great deal of work has to be undertaken hy tbe society when the loan is establisbed aod for this no fee is paid. As the term of the loan proceeds, however, redemption interest becomes more difficult to justify and the tendency is for tbese charges to be reduced. The prospective borrower should therefore inquire into this aspect of a society's practice before proceeding with a loan.

No doubt readers could raise other criticisms, but by and large building societies do give the public a very fair deal. They are not in the business to maximise profit and they work on narrow margins, so, if some of their extraneous income were to be pared away, it could only be recouped in the mortgage rate charged to borrowers.

BUILDING SOCIETIES IV

High prices are no deterrent

By MICHAEL CASSELL

House prices are currently rising at a rate which is calculated to send a shudder through the hardiest of prospective home buyers. While existing owner occupiers can gain considerable satisfaction from the knowledge that their house stands as a sound investment in the face of continuing inflation, there is little comfort for those trying to break into the market for the first time.

But even with prices as high as they are, the queue of people anxious to obtain mortgages never seems to end and the building societies still find themselves hard pressed to meet demands made of them despite the fact that they are now lending at record levels. Against this background, the Building Societies Association said in July that an extra 600,000 borrowers could he accommodated this year, a rise of 100,000 on the 1970 figure. Total cash advances during the same period, according to the Association, could possibly rise by as much as £500m. to reach a massive £2,500m.

All it can

So if the price prospects for first-time buyers seem bad while those for existing owners may appear to he discouraging, it is nevertheless apparent that the building aociety movement is doing everything it can to make bouse purchase a reality for as many people as possible.

Some people claim, however, that there is still a lot more wbich could be done to smooth the path to bome ownership. A popular argument calls for a reduction of the mortgage interest rate but a closer examination of the situation shows that loans would not necessarily be within the reach of more people if this did bappen.

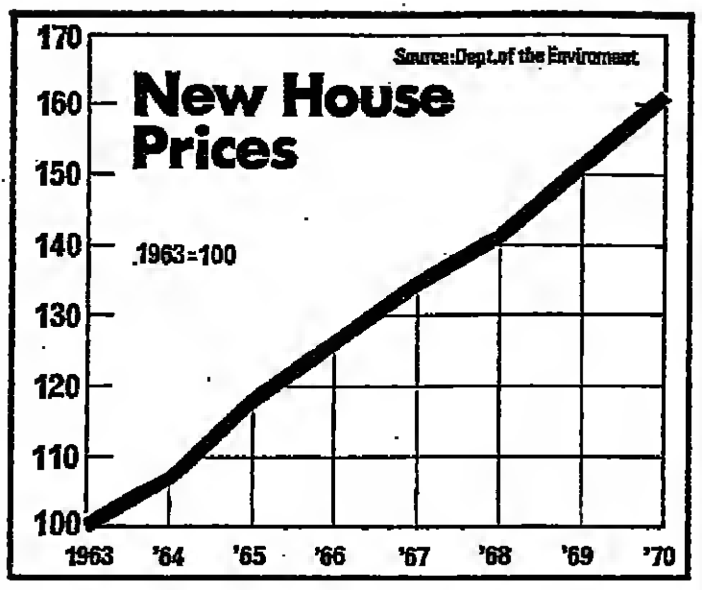
The fact is that if the interest rate was reduced, along with a corresponding reduction for savers, building society funds would suffer severely and mortgages would become more difficult to ohtain. It should he stressed, however, that if the high inflow of funds recorded so far this year continues, then the possihilty of a reduction will have to he seriously discussed.

If this happened, then "cheap money" would become even cbeaper and house buyers would find themselvea sitting happily on the end of a deal which provided an effective interest rate on money horrowed of something less than 6 per cent. while their property appreciated at something more than 10 per cent. a year.

The annual 10 per cent. figure is the level of appreciation calculated earlier this year by the BSA for new properties. A similar rate of appreciation can be assumed for existing houses.

Figures released in July hy societies whose comhined assets represent 70 per cent. of those held by the entire movement, showed that the private bouse purcbaser had to be prepared to pay this much more in the first three months of this year compared with the same period in 1970. There is nothing to suggest that this increase bas fallen throughout the course of this year and everything to indicate it bas since escalated further.

The societies found that prices had risen in the first quarter of 1971 by 5 per cent. over the last three months of 1970. In cash terms, houses were costing £465 more in the first quarter than at the same time last year and just over twice as mucb as tbey did 10 years ago. Earlier this year, the average price heing cbarged for a new home stood at £5,453 compared with £5,206 at the end of 1970—both figures which would hring a wry smile to the faces of home buyers in London and the south east. Later figures show an increase in the average mortgage from £3,540 to £3,960 over the first balf of the year.



Housing stock

Why the high prices? A major factor must he the level of the nation's housing stock, which leaves much to he desired. In 1969 and 1970 it was found that there had been a considerable swing away from new house buying inquiries hut this was simply because there were not sufficient new houses to go round. In this situation, a sellers' market is created which is hardly calculated to keep prices stable.

Equally important, of course, is the actual cost of hullding a house. The picture here is particularly black with material prices rising steadily hy an average of 1 per cent. each month and in some instancea considerably more. Many people can tell of moving into a new house on a new estate and seeing later arrivals paying more for the same type of property within a matter of weeks.

It has also been suggested that the very presence of such a wealth of building society funds, ready for the prospective buyer, does nothing to harness rising house prices. Mr. Fuller Oshorn, former chairman of the BSA, often resisted calls for 100 per cent. mortgages and claimed such a move was inflationary. In the same way, it has been said, the availahility of funds for home loans has fed the increasing level of house prices and certainly done nothing to check the rise.

Faced with this depressing catalogue of factors which play their part in maintaining high price levels, it might seem surprising that so many people can take advantage of the opportunity to own their home. It is a popular misconception that to buy an average house, a person must have an annual salary of at least £2,000 to make the exercise feasible. The BSA has wasted no time in putting that particular myth down with figures showing that 43 per cent. of all mortgages in 1970 went to people earning less than £1,600 a year. The Housing Foundation has, in fact, calculated that £1,250 a year is often quiet sufficient, with perhaps an extra £250 for people in the London area.

But whatever happens to honse prices, and despite a few well puhlicised efforts to pass on the benefits of Selective Employment Tax reduction, there is no reason why the sharply climhing price graph should level out, the number of people wanting their own homes seems certain to grow equally fast. The Housing Foundation itself has estimated that there are over 1m. tenants in England and Wales who could afford to buy a house, many of whom thought it impossihle.

The continuing availahility of funds and higher construction activity on the part of the builders promises to inject further huoyancy into the housing market. For most people a prime ohjective in life is to hold the key to their own home, high prices or not.

Future may hold a changing role

By MICHAEL BLANDEN

The highly specialised function of the building society movement is easily Identified. It is to provide a safe outlet for small savings—at which the societies are undeniahly efficient—and to use the funds to encourage bome ownership. In spite of occasional criticism of the way in which this task is done, there is no doubt that on both sides of their business the societies can feel they are doing a joh which Is generally acknowledged as socially useful.

At present, however, a good deal of thinking Is going on within the movement in an effort to determine what the role of the huilding societies will he in future. It appears to many of the men involved that circumstances may change in the future In ways which will require them to reconsider their function.

Getting money

For years now, the problem of the huilding societies has heen straightforward; to attract and make available to potential bouse-buyers enough funds to meet the demand. For this reason, their attention bas tended to be mainly concentrated on ways of getting in money, wbile the lending side bas taken care of itself.

The movement is looking ahead now to a time when the need for mortgage finance will take rather different forms. The situation Is now close wbere across the country there are enough houses for the numher of families wanting to occupy them; the problem to he met is then that they are not necessarily in the right places nor of the right quality.

The future need, therefore, may be not as in the past simply to support the creation of a larger bousing stock or to make money more easily and cheaply availahle to house buyers by giving higger mortgages over longer periods. Rather, the huilding societies will he called on to play an important part in the estahlishment of higher bousing standards.

The societies are also aware that they may need to justify their existence in the context of a more competitiva financial climate. Their special position was recognised when the Bank of England set out its new rules on credit control, with the indication that hank competition might he limited if it appeared to threaten the movement's supply of money. Yet the likelihood is that in time the money market will become more open.

The movement is ahle to argue that its immense experience in attracting small savings cheaply, and its knowledge of housing and of the needs of house owners, make it uniquely qualified to take on a more involved role. Two areas are particularly attracting attention at present.

One is tbe switch from rented accommodation to home ownership In local authority and new town bousing. Though this type of finance is much in line with the movement's traditional functions, it is a trend which presents special problems. One of these lies in the difficulty of persuading people to buy wben their rents are relatively low. This problem may be gradually reduced as a result of the Government's pollcy of hringing rents nearer to their market level. One approach has been found reasonably successful already, In which the corporation agreed to sell at a discount on market price to encourage huyers and reached an arrangement to share 100 per cent. finance of the purchase with the huilding society.

Even so, this situation demands special planning. From the building society's point of view, the situation of a new town or council estate has disadvantages; there is obvlously no estahlished market in bouses in the early stage of development; and the society, in establishing its presence, will need time to huild up through a local office the flow of savings funds inwards which is an essential part of its husiness. Moreover, any individual building society undertaking sucb an exercise would clearly be in danger of too great a concentration of its lending.

The need for a co-operative effort is even more evident in the other major area of possible activity which is under study. One of the main prohlems for the future is seen to lie in the need for a major effort towards urhan renewal.

The problem was beavily nnderlined in the recent report prepared by Colin Bucbanan and Partners for the Nationwide Building Society. Taking as its starting point the argument that the housing shortage has been more or less overcome, the report stressed the need for policies whicb would "emphasise the needs for intensive clearance of unfit housing and the positive renewal of inadequate housing areas, and which define more generous standards of space and amenity as part of long-range objectives for housing development."

Play a part

The building society movement would like to play a part in this mammoth task, by taking part possihly in the planning stages of these developments and hy contributing to the huge financing required. The possihilities have heen discussed fairly widely within the movement, and puhlicly aired on a numher of occasions; and work has been started, for example, in a joint study in the Manchester area.

The movement is, however, not yet at the point of determining how its participation would work. It is clear that providing finance would he likely to demand new legislation. Lord Wakefield, for example, recently suggested in the Building Societies' Gazette that societies ahould be able to leod up to 5 per cent. of their assets in a form of equity interest in specially estahlished Urban Renewal Corporations.

This idea touches on one of the central difficulties of the situation. The bullding societies still need, above all, to ensure the absolute security of the funds invested with them, a security which has been based in tha past on the strength of the mortgage on real property. To fulfil the social requirement they foresee for a deeper involvement in the essential redevelopment of the country's housing and to contribute to the creation of higher general standards, they have to consider very carefully how hest to use the funds at their command while retaining their traditional image of safety for savers.

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A troubled week

LAST SUNDAY, presumably with next year's election in mind, President Nixon announced a complete reversal of U.S. economic policy. Until now he has strenuously maintained that the measures he had already taken were adequate to bring the economy back to full employment and reduce inflation to a tolerable level. He had no intention, the Secretary of the Treasury has insisted on his behalf, of asking Congress for further tax cuts or introducing an incomes policy. But these are precisely the things he is now doing.

A bare announcement that the economy was to be further stimulated at a time when inflation is still a serious problem might well have been bad for the dollar. To guard his external flank, therefore, President Nixon took two steps. He imposed a 10 per cent. surcharge on U.S. imports of manufactured goods and instructed the Treasury "to suspend temporarily the convertibility of the dollar into gold."

Import tax

The import surcharge, for which Britain provided a precedent in 1965, is quite contrary to the rules of the General Agreement on Tariffs and Trade. Its aim is said to be to ensure that American goods are not at a disadvantage because of "unfair" exchange rates: when the unfair treatment is ended, the import tax will end as well. This suggests that it is a bargaining weapon intended to persuade other countries to revalue their currencies upwards against the dollar.

The suspension of the link between the dollar and gold is designed to have the same effect. In the monetary system set up at Bretton Woods after the last war, other currencies are pegged to the dollar at fixed parities and the dollar itself to gold at a fixed price. If the dollar is no longer pegged to gold, it is free to float up or down against other currencies; this is the only way, short of a rise in the official U.S. price of gold to which successive Administrations have been strongly opposed, that the dollar can be devalued. The suspension of the link means that the monetary system on which the world has lived for a generation is in at least temporary abeyance, but it is not a revolutionary step. The U.S. has put great pressure on its partners for several years past not to exercise their right to convert surplus dollars into gold.

What the Administration is now saying to them, in effect, is that those which are in a strong balance of payments position must either revalue their currencies upwards or be prepared to absorb large quantities of dollars which they do not want. The U.S., as the most powerful economy in the world, has always been in a position to pose this dilemma. The suddenness and self-confidence with which it has done so, however, has taken aback those Governments which assume that the rules are always to be laid down by countries which are in surplus; the import surcharge only adds insult to injury.

Not encouraging

First reactions to this American attempt at solving its long-standing balance of payments problem have not, in fact, been encouraging. The Japanese Government has been under pressure from its businessmen not only not to revalue but to withdraw trade concessions already made to the U.S.: by continuing to maintain the old parity against the dollar it has taken enough dollars into its official reserve to make it larger than that of the U.S. itself. The French have proposed maintaining a fixed exchange rate against gold, which also suggests an unwillingness to revalue. This may be a bargaining position from which they are willing to retreat, but the meeting of the Six on Thursday—which Mr. Barber attended—quite failed to agree a common attitude to the new situation.

Hastily convened conferences of this sort are only too likely to be unsuccessful. The risk of failure is that it may exacerbate angry feelings and provoke retaliation, taking the world uncomfortably close to the trade war which everyone outside the U.S. has more reason to fear than the U.S. itself. There is now general agreement that reform of the international monetary system is needed, if only by the provision of wider margins either side of a fixed parity. But reform of this sort is unlikely to take place until the U.S. has dropped its import surcharge and existing parities have been altered to allow for a dollar devaluation. And no firm basis can be established for new parities in present circumstances unless rates are left free for a time to vary within wider limits.

Fair selection for a degree

Lord Robbins, chairman of the Committee on Higher Education that reported in 1963, reviews the last eight years and suggests two reforms

IT is now eight years since the publication of the *Report on Higher Education* with its strong plea for expansion; and, what with the likelihood of an increase of demand very considerably greater than the projections of the Committee and the rumours of increasing difficulties in the market for the relevant skills, the time has clearly come for some review of recent history and prospects for the future.

Let me begin by declaring myself entirely unrepentant concerning the main policy of expansion. I see no evidence whatever that there has been any lowering of requirements of entry, nor do I believe that the standard of degrees has suffered deterioration. There are many problems associated with expansion which remain to be solved: problems of size, problems of courses, problems of group solidarity and morale. But the prediction that more means worse does not seem to me to have been justified. It is time for the faint-hearts to choose another target.

Academic unemployment

As to the talk of academic unemployment, let me say at once that I think it both exaggerated and premature. Clearly it would be very improbable, when the general labour market is slacker than at any time since the war, that the demand for graduates and other products of higher education should not also be slacker than in the past. This is not in question. What has to be demonstrated, however, if the rumours of academic unemployment are to have special significance, is that the demand in this section of the labour market is slacker than elsewhere; and that I think has yet to be shown.

Nevertheless, I do recognise two dangers in this respect, dangers which, if not yet acutely manifest, certainly demand attention. They arise partly in the sphere of training, partly in the sphere of expectations.

As regards training, I see danger in the continuing tendencies to excessive specialisation in universities south of the border (They order these things better in the North of Britain). The system of training in depth for first degrees as it has developed in recent years may be all right for the training of dons and high experts; though I see dangers of spiritual myopia even here. But it is not suitable for the training of the majority, who need versatility as much as depth and who are liable to disappointment if the world does not happen to want, in the anticipated numbers, the particular brand of specialised knowledge in which they have gained second or third class honours.

The proper place for high specialisation is the graduate school. At an earlier stage it is liable to produce misfits and, at the same time, via the conditions of entry required by its practitioners, to produce a grotesque distortion of education in the schools. The system is doubtless conducive to the ease and prestige of the teachers. But its effects are more dubious where the interests of the students and the country at large are concerned.

The second danger consists in the expectations of some students concerning the sort of job to which they are entitled on graduation. It is true that a person who has spent laborious years at an institution of higher education is entitled to hope that he (or she) may eventually gain thereby a higher income and more interesting work than might otherwise be possible. It is true, too, that in the past many employers have not known how to make the best use of their graduate recruits.

But neither of these considerations entitle a graduate to expect that the mere fact of graduation at once entitles him to positions of exceptional interest and privilege; and I suspect that there is some danger nowadays that some may think it does and thereby prejudice their chances. Society does not owe graduates a living at any level they choose to set. It is for them to demonstrate, in competition with others, that they have superior contributions to offer. And if they do not approach the labour market in this mood, disappointments are apt to follow.

It would be to lose all sense of proportion, however, to let dangers of the kind I have been discussing deflect public policy from the general principle of adequate expansion to meet the needs of those able and willing to benefit by it. Unsuitable degree courses can be changed and false expectations modified.

While, therefore, I would not argue that there is any *direct* correlation between production per head and numbers in higher education, I am sure that it would be a bad thing so to change policy that the relation between places available and applications imposed more difficulties than it does at present. I still think that higher education is not only generally conducive to economic development, but also a good thing in itself; and that it is a mark of the good society that it provides facilities for those who have the requisite qualifications and ambitions.

But while this certainly means that there should be no raising of standards to keep down the increase of numbers, it does not mean that the present methods of provision are immune from criticism or incapable of improvement. In fact, I believe that valid criticism can be made both in regard to finance and in regard to tests of motivation.

To begin with finance: I venture to submit that the time has now come when those who receive support for higher education should be required to make some repayment thereof if it results in identifiable material advantage. I have always believed that some arrangement of this sort was dictated by considerations of distributive justice. Free schooling for all who wish to take advantage of it is a just arrangement. But it is not necessarily just to provide, at the expense of the community in general, further educational facilities for the privileged minority who have the qualifications eventually to benefit financially.

In this respect the finance of higher education is on all fours with the finance of research, which is expected to be remunerative, or the foundation of an industrial enterprise: it is paid for out of scarce resources. And, in the event of success, if it is not repaid it may be regarded as raised, in part at least, by the taxation of the less capable in favour of the more.

This argument has always seemed to me to be irrefutable. But, in the past, I have felt that the habit of sending suitably qualified young people to universities or comparable institutions was not yet sufficiently widespread to give scope for all the talent available, especially from poorer families and among women; and, for that reason, the prevalent grant system could be regarded as, so to speak, the encouragement of an infant industry and defended in those terms.

I used, therefore, to think that debate about it could be postponed to the 1980s, by which time, I hoped, it would be recognised everywhere that superior ability deserves its chance. In the event, the habit has spread more rapidly than I expected and I see no reason for further delay in going over to a more equitable system.

This does not mean, however, a crude loan system. The loan system has a bad name because it imposes a burden whether there is success or failure. The investment in human capital is financed, so to speak, by *bonds* and there are thus obvious disadvantages for the unsuccessful or for women who marry and do not earn—which deservedly arouse general apprehension. But Professor Prest of the London School of Economics has achieved the distinction of devising a system which at once avoids all these difficulties and seems from the administrative point of view to be easily practicable. Under this scheme, repayment is made through machinery of the Inland Revenue and only in so far and when there is positive evidence of gain. The social investment in human capital is financed, so to speak, on an equity basis.

I cannot see any argument against this. If a young man is deterred by the thought that, if he is successful, he will have to repay the advance in appropriate stages, that surely constitutes a presumption that he is unworthy of the initial advantage. To claim that he should not repay is to claim a position of privilege vis-à-vis those who are not so educated.

My second suggestion for change is concerned with what it is customary nowadays to call motivation.

There can be no doubt that, while in the majority of cases the expansion of recent years has opened the doors of learning to those who appreciate the process, it has also swept in a certain proportion of students who are fundamentally unhappy or at least lack the interest necessary to benefit.

There is a certain fashion in these matters; and it would be quite unrealistic to ignore the presence, in the enlarged higher education population, of a number of young people who are there simply because friends or parents have given them to understand that it is the right thing to do but who yet lack the motive to exploit the opportunity once they have arrived. Their presence is a complication in the work of the institutions and a cause of bitterness and discontent to students so constituted.

The post-war generation

Now it is certainly the experience of teachers that this sort of attitude is far less frequent among students of more mature years. The post-war generations, who had a period of military service between leaving school and coming to the universities, did not exhibit these characteristics. They knew why they wanted to come to institutions of higher education; and they were determined to make the most of the opportunity. The same can certainly be said of the state of mind of students who come into such institutions for evening work or who are seconded from work in industry.

My suggestion for dealing with this problem is therefore a radical one. Why should we not do what the Russians do in this respect and, with certain exceptions, arrange an interval between leaving school and coming to the university during which the potential student may participate in the ordinary work of the world however humble, learn what ordinary people are like, and come to know whether he (or she) has a real vocation for advanced study?

There would be exceptions

The rule I propose is that there should be no grants or advances for a fixed period after school-leaving. I have little doubt that, were it adopted, there would be far less infirmity of purpose, far more appreciation of the privilege of the receipt of higher education than there is at present.

Doubtless there would have to be exceptions. I would not urge the interruption of the careers either of musicians or of ace mathematicians whose excellence may well depend upon continuity of study. But for students of the majority of subjects—especially the subjects which as a teacher I know well from the inside, the so-called social studies, economics, sociology, political science—I can see nothing but good from such a régime.

Indeed, quite apart from the influence on motivation, which is the prime reason for the proposal, I can see other, not at all inconsiderable, benefits. Is there not a very good case to be made for the view that, at least for subjects of this sort, it is a positive advantage for the student to have had some contact with the world of social and economic reality before learning from books and lectures complex considerations of incentives and machinery and the cruder, as distinct from the more esoteric, forces which make the world go round?

I would not expect such a proposal to be popular with young people or perhaps with some teachers of the less worldly type. But I submit that for the rest of us it may well seem to deserve serious consideration, not merely as a test of motivation but also as a means of bringing home to the persons concerned the nature of the privileges of higher education and the responsibilities it involves.

COMMITTEE ON HIGHER EDUCATION

Higher Education

REPORT

of the Committee appointed by the Prime Minister under the Chairmanship of Lord Robbins 1961-63

The 1963 report, which called for expansion. "The prediction that more means worse does not seem to me to have been justified."

Letters to the Editor

Apprentice jockeys

Sir,—I have just read, August 18, Elsbeth Ganguin on the subject of apprentice jockeys.

I am sorry to say this made me very angry, as I have a son who is an apprentice, and although you may feel that your interpretation of the life an apprentice leads is hard, I can assure you that, in a great many cases, their treatment is a lot harsher than you have stated.

My son has been an apprentice for five years, and his term finishes in 1972. His starting wage was 15s per week, and he is now earning the grand sum of £4.50 per week, the odd 50p having been won only after having asked for it for about two months. He has already ridden his first winner, and I have been told that he has all the necessary qualifications, including stable weight to make a first-class jockey. The winner he rode was not a horse from his own stable, but from the stable of a person that was known to him some years ago.

His own boss refuses to give him rides, but I may say this is very surreptitiously done: in the first instance I was told that, because he had not had a winner owners would not let him ride. However, he has now had the necessary winner and still is not given rides; other excuses are given which are too numerous to go into in this letter.

I would also like to point out that he is given no clothing allowance and has to provide all of his own clothes, which makes things somewhat difficult. He has been boarded out into very bad accommodation and although he himself has tried very hard to find better "digs" has been unable to do so, but no assistance has been given to him in this respect.

His working hours are summer, 6.30 a.m. to 12 noon, and then 4.30 p.m. to anything up to 7.30 p.m. This is a seven-day-a-week routine. In the winter the starting time in the morning is 7.00 a.m. He has been home only one week-end since before Christmas last year, and tells me he is not likely to be able to come home again before November. He has an annual holiday of two weeks each year, but if he should happen to take his holiday at Christmas, the two days of the Christmas are counted as part of his holiday.

If he goes away to the races he is given £1.50 travelling expenses, but if he comes home for the week-end he has to pay the fares out of his own pocket.

I did try to get him released from his indentures by going up to Weatherby, but was told that there is no protecting body at all for apprentices, and that it is a well-known fact that a lot of boys are being used as a cheap labour force. I myself feel that this is very true, and I also feel there should be some protective society to see that this does not happen to boys who sign their lives away for five or six years into a legal contract.

There are many other factors contributing to a very hard, and I would say somewhat devious method of training apprentices, but to enumerate upon it would take almost a whole book.

Mrs. G. S. Zimbler.
170, The Drive,
Bexley, Kent.

Rates from cars

Sir,—Discussion in your columns as to the method of raising local authority income seems to be getting more and more ingenious, but I really doubt whether the methods are practical or fair.

Mr. Kut's suggestion (August 18) on a local authority rate on cars surely goes too far. It is obviously fine if one lives in a city well endowed with public transport. Some of us live in areas where to reach anywhere at all by bus is a luxury, and the cost equally so. In addition, being liable for recall to work at all hours myself, and with my wife a doctor working upwards of 102 hours a week at a hospital, two cars are essential. Neither of our employers gives us a car, and neither of us can claim our "travelling to work" against tax. To now penalise us even further seems a trifle hard.

Why should I be penalised more than a retired person living in an identical house, who receives identical services from the local authority? If we can both afford to buy the house, should we not pay the same? Certainly all the schemes aired in your paper so far would result in me paying very much more, and I know which of us has the higher outgoings to service.

I can see no problems with the present system, provided an adequate rebate scheme is involved for those who really are unable to pay.

A. R. Millns.
4, Compton Close,
Kinver,
Stourbridge,
Worcs.

Drivers' uproar

Sir,—I can imagine the uproar among motorists which will be engendered by Mr. Kut's suggestion that local rates be levied on them.

The implications in Mr. Kut's letter are incorrect that (a) everyone who can afford a car has one and (b) all car-owners can afford to own and run their vehicles.

The strong case in favour of the suggestion is that motorists should make a greater contribution to the revenue so as to pay their way and cease to be subsidised.

Peter Knottley.
2, Dallas Court,
Cheam, Sutton, Surrey.

Another fantasy

Sir,—I have another fantasy which might entertain your readers. It is that the local authorities simply provide a service package, for which there should be a standard charge, paid by all resident adults. A solution to the present rates burden malaise, incorporating considerable levying potential?

Donald Williscroft.
"Colwyn,"
82, Armitage Road,
Rugeley, Staffs.

One free service

Sir,—Mr. John Emmerson (August 18) asks where one can obtain a service free of charge. The quick answer is from an insurance broker. But I at any rate would prefer to pay a fee for insurance advice and be charged net for my premiums rather than getting a so called "free" service.

As far as banks are concerned I have no quarrel whatever with the "fees" I am charged—but this is because my branch manager has taken the trouble to explain how the charge is arrived at. And because I consider the service I receive to be extremely efficient (having recently changed from one of the big four to Williams and Glyn's) I regard the charges as very fair indeed. Would not the banks be better advised to be entirely open about the subject rather than appearing to dodge it? Evasion would indicate they are doubtful whether they provide value for money.

J. H. M. Cockayne,
Collo McIver Associates.
49 Fitzhardinge House,
Portman Square, W1.

Clear scales

Sir,—As an ex-bank official, may I take Mr. Emmerson to task over his defence of bank charges? Certainly one expects to pay for professional services rendered, as he says; but in the case of solicitors, accountants or the suchlike, the fees bear some relationship to the services carried out.

Bank charges appear to be levied arbitrarily, without a word of explanation as to how the figures were arrived at. If the banks were to make it clear how much their services cost to run, perhaps people would be less disturbed at being asked to pay for them knowing what it was they were paying for.

I learn that one of the clearing banks intends to charge commitment fees and arrangement fees for lending money against a mortgage over property, now that stamp duty is abolished. Presumably it is thought that if the State is no longer interested, the customers won't mind if the banks take its cut for themselves.

For a person or company wishing to borrow the modest sum of £4,000 secured by property, it will cost about £40 in fees before they get a penny; and once they have the money, interest is payable, which is where I had always thought the banks' earnings were meant to come from. At least one presumably knows what one is paying for, but its relationship to the actual costs of the transaction is vague. And no doubt one will have to pay for the amount of bank manager's time taken to agree it all as well.

It is this apparent profiteering that the customers not unsurprisingly object to. Perhaps the banks could look to their own efficiency rather than to their customers as a means of absorbing costs in the first instance. I should add in all fairness that my own bank did not charge me for the last half-year, although I have no idea how long that happy situation may last.

D. W. S. Thomas.
38, Grosvenor Road,
Chiswick W4 4EG.

Lost shares

Sir,—Your correspondent Mr. David Thorburn in his letter (August 18) waxes indignant over a charge of £2.50 made by his bankers for "signing" a letter of indemnity in respect of a lost share certificate.

Mr. Thorburn gives no indication of the extent of the liability assumed by his bank in this transaction and advances no reason as to why his bank should assume such a liability gratuitously. If he did not contribute to the loss of the certificate no doubt he can recover the charges involved from the negligent party.

J. Hunter.
128, High Street,
Ayr.

No charges

Sir,—I had a similar experience to Mr. Thorburn (August 18) last year, when a Williams Hudson share certificate went astray.

My broker sent me a form of indemnity with the request that I sign and get it countersigned by my bank. On enquiry the bank stated that its charges for this service would amount to four or five pounds. I then sent the form back to the broker unsigned, stating that it was his responsibility to provide a new certificate.

The matter was resolved by getting through on the phone to the company who sanctioned the broker to countersign my signature. A duplicate certificate was issued with no charges involved.

L. S. Goslin,
Greenways,
Weston Underwood,
Nr. Olney,
Bucks.

Firm price tenders

Sir,—In his article of August 18 Mr. Michael Cassell gave a comprehensive account of the problems caused by present requirements for firm price building tenders over a period of two years. There is, however, yet another aspect which should not be overlooked. That is the danger that the present rules will encourage an increase in inefficient and costly building by public authorities' own directly employed labour forces.

The Government has done much to insist that work should not be given to these organisations without competition from building contractors. But direct labour cannot be bound to firm prices since the client authority being also the building employer must pay all the costs. There is no incentive for direct labour departments to take account of likely cost increases over a two-year period, but every incentive to submit estimates ensuring the award of work to themselves.

Although the outcome will be expensive for the public, the true cost may never be clearly seen. For it is not unknown for direct labour departments to have their increases in the cost of labour and materials approved as reasonable extras, even though these extras could not be claimed or allowed to contractors.

Malcolm Hoppe,
Alms of Industry.
5 Plough Place,
Fetter Lane, EC4A 1AN.

No-one really knows what next

Joe Rogaly describes a momentous week in world economic affairs

ANYONE who is puzzled by the economic news of the past week may rest assured that he is not alone. For an honest assessment of what has happened to the Western world since President Nixon announced his new fiscal and monetary policies last Sunday night can be expressed very shortly thus: everything has changed; nobody knows how. The truth is that while the situation may never again be quite the same as it was before Mr. Nixon spoke, no one, from the President himself on down, can really say what will happen next.

This is particularly the case with the broad issues of policy, such as the future relations between the countries of Western Europe and between them and the U.S. In narrow, technical terms, however, the possibilities are easier to outline. It is not difficult to understand this if you start from the position of a week ago, just before the President's speech.

At that time (it is now possible to say with hindsight) the international payments system that had served the Western world well enough since the end of the war was already showing signs of breakdown. This system, established at Bretton Woods, New Hampshire, in 1944, was based on a conception of fixed rates of exchange between currencies. These were set in terms of the dollar, or sometimes of gold, and the dollar itself was to be permanently related to gold at the rate of $35 an ounce.

The International Monetary Fund was created as banker to the new system. Its rules provide that whenever a currency is manifestly of the wrong value (because the international payments of the economy that supports it are out of balance) there can be an orderly change. Such changes, like Mr. Harold Wilson's devaluation of the pound, have, however, usually been disorderly: a matter of last resort, avoided at great cost until the final possible moment.

This inherent inflexibility is one reason why the system began to break down. Another was fear of a world-wide shortage of official reserves of acceptable money to carry countries over periods of deficit. The most logical way of increasing the supply of this money was to increase the dollar value of gold, but this was strenuously resisted by America for sound political reasons and the substitute—the creation of "paper gold," or Special Drawing Rights—was delayed, for its own political reasons, by France. The first allocation of these Special Drawing Rights came in 1970.

Vietnam war

The most important reason for the breakdown was the growing weakness of the dollar, the currency upon which the whole system rested. The Vietnam war, a series of balance of payments deficits, and a heavy weight of general overseas commitments have all combined to deplete the gold reserves in Fort Knox, with the consequence that the United States has been increasingly unwilling to honour its long-standing agreement to hand over gold (at an ounce for $35) in exchange for its own dollars spent abroad.

The series of international monetary crises of the past few years have all been related to this growing inconvertibility of the dollar, a situation that has been most worrisome to the countries that have held dollars in large quantities, like West Germany and Japan.

For all these reasons a number of countries had placed themselves half way out of the Bretton Woods system well before last week. The Canadian dollar has been "floating" (exchanged at a rate set by the market rather than through the IMF's official system) since last year; the D-Mark and the Dutch guilder have been likewise fluctuating since May 10.

In pure technical terms, President Nixon's announcement did no more than render *de jure* (and for a "temporary" period) the *de facto* inconvertibility of the dollar that already existed. But there is a great difference between marriage and living together; between an official fact and an unofficial one. And the first difference, for the majority of the governments of the Western world on Monday morning, was that they now had to make up their minds about what to do next.

And so everything that you have read in the five weekdays following Mr. Nixon's broadcast has related simply to the external manifestations of various Governments in the process of trying to make up their minds, spiced, on occasion, with speculation as to what on earth they might be considering.

Nearly all Governments, save America's and Japan's, closed their foreign exchange markets. This was simply a matter of saying "we are going to let nothing happen until we know what we are going to do." The American President, perhaps a trifle abashed at his own boldness, despatched Mr. Paul Volcker, under-secretary at the U.S. Treasury, to London and Paris in an effort to placate the Europeans. He failed, and went home almost as suddenly as he had arrived.

The Japanese Government let it be known that it was both worried and furious: worried about the effect on Japanese trade (a third of which is with America) in the light of Mr. Nixon's 10 per cent. surcharge on U.S. imports, and furious about being so obviously pressured to increase the value of its own currency, the yen—which would again, in the Japanese view, decrease its sales abroad.

U.S. Treasury Secretary John Connally (left) and President Nixon: perhaps a trifle abashed at their own boldness.

(This is an incidental example of the blindness of the arithmetical approach to economics since the probable truth is that Japan's exports would suffer far less from a modest revaluation of the yen than the Japanese think. The reason is, simply, that the quality of Japanese goods is so high that demand would remain strong.)

Britain enjoyed a few glorious hours on Tuesday when, its Government's Ministers flying in from their holidays, it seemed as if all the world's important Finance Ministers might come to London for a great international conference. Alas, these hopes were quickly dashed when it was shown that the only attraction was Mr. Volcker, for so long as he was here.

Then Mr. Heath appeared determined to proclaim Britain a good member of the European Economic Community that it proposes to join. The Community, in turn, at first put it about that it would go into its own huddle and that Britain would have to await an invitation and then later relented and allowed Mr. Anthony Barber to join the tail-end of its deliberations.

On Thursday night these proved fruitless: the Germans wanted a further period of trial by market forces (possibly through a mechanism for keeping all European currencies in step yet letting them float against the dollar), while the French wanted a two-tier system, with fixed rates for commercial and official transactions, and free rates for capital and tourist account. Efforts of the Benelux countries and the Commission to mediate proved fruitless: the result was that no internationally concerted action seemed likely.

Meanwhile the Japanese, having been flagellating themselves all week, appeared willing at the end of it to concede that perhaps at some time they would be forced to increase the value of the yen after all.

The one certain thing that can be said about the effect of all this is that the old system of internationally agreed rates of exchange for money is gone. There is no new system in its place: instead there is a multiplicity of ideas and a future that is unknown. A number of currencies will now probably float alongside the German, Dutch and Canadian moneys, and the result will be a more flexible system of international payments and trading than has been known for at least two generations.

But these are the mere monetary consequences. There are others, far harder to define even as questions and yet far more serious in their possible development. The EEC itself took a further blow on Thursday night when its members so signally failed to agree on anything; most especially the ludicrous Common Agricultural Policy (which keeps farm prices artificially high) has possibly been handed a slow death sentence by the events of the week.

Relations between the United States and its European allies have been altered, for trust is indivisible, and if a great empire cannot be relied on to act in concert in monetary affairs then those who question, say, American reliability in the event of Russian incursions in Europe will be more seriously heard out.

In Asia, relations between Japan and America have been put under severe strain. Coming on top of Mr. Nixon's proposed visit to China the situation is now of exceptional severity. In the underdeveloped world, the U.S. cuts in aid will be unpopular. Everywhere outside the U.S., confidence in currencies, and thus in the ability of Governments to control events, has been shaken.

The changes inside America are also of importance. Mr. Nixon, a Republican of allegedly conservative leanings, has adopted a policy of intervening in the economy that he would have himself described as neo-Socialism only half a year ago. Such policies as applied by his Government (including what seems like a botched incomes policy) will inevitably be studied in other mixed economies where inflation and unemployment have both increased at unacceptable rates. The outcome might affect both economic thinking and politicians' judgments of that thinking.

Unfathomable

Thus the long-run consequences of President Nixon's actions are literally unfathomable. "Everything has changed; nobody knows how" is the only possible summing-up. The immediate task of governments is, however, clear. It is to find a way of ensuring that there is no degeneration into the economic nationalism of 40 years ago. The competitive erection of trade barriers of those years was one cause of the world-wide Depression, the Bretton Woods system was designed to guard against a repetition of that sad economic history.

Now President Nixon has put on his 10 per cent. surcharge on imports and the Japanese are muttering darkly about retaliation. The widest issues of policy may remain a mystery, but the present danger is all too evident. This was perhaps inevitable, given the imperfections of the system that has now been destroyed. The best hope, so far as trade and international payments are concerned, is that when something new is invented to replace it, it will be better, and more lasting.

Labour News

Average 14% rise for 8,700 tax men

BY MICHAEL HAND, LABOUR CORRESPONDENT

SOME 8,700 higher grade tax officers employed by the Inland Revenue will receive pay increases averaging just over 14 per cent. as a result of an award announced yesterday by the Civil Service Arbitration Tribunal.

Together with collectors and higher grade valuation clerks, their pay is aligned with that of Civil Service general service grades of executive officer and higher clerical officer who received a "catching up" increase based on pay research of just over 9 per cent. which was announced in June and backdated to January 1.

But the Inland Revenue Staff Federation, to which the tax officers, collectors and valuation clerks belong, claimed that they should get a bigger increase than the general service grades on grounds of greater responsibility and complexity of work.

The arbitration tribunal accepted this argument in the case of the tax officers and awarded pay increases which will add a further 5 per cent. to the salary bill (they had been offered 2 per cent. in negotiations) but not in the case of the 650 collectors and 500 valuation clerks involved. The total addition to the wage bill will be about £2m.

As a result of the two increases 3,000 of the tax officers will get between 7 and 8 per cent. extra, another 4,000 will get between 14 and 17 per cent., 1,200 will get 17 to 20 per cent. and 500 will get 20 to 21 per cent. This is well above the level of pay increases which the Government would in most cases regard as acceptable at the present time.

The award gives the higher grades tax officers a salary scale ranging between £800 and £2,125 a year. The collectors' scale is now £800 to £2,000 and the higher grade valuation clerks' £1,680 to £2,000.

Dispute causes 1,400 loss in Avenger car output

BY OUR LABOUR CORRESPONDENT

CHRYSLER will lose two days production of its Avenger — a total of 1,400 cars—at the beginning of next week because of the continuing dispute in Coventry over the engineering employers' decision to end the local rate-fixing toolroom agreement, which they regard as out-of-date and inflationary.

The Amalgamated Union of Engineering Workers is equally determined to retain the 30-year-old agreement under which toolroom workers' pay rates are fixed and which is often used as a yardstick in motor industry wage negotiations.

The union is already operating sanctions against the local engineering employers and these will be stepped up next month when a series of weekly one-day strikes will begin.

This week Chrysler toolroom workers have been refusing to repair a machine in the Avenger engine shop at the Stoke factory in Coventry. This has forced the company to lay off 4,000 workers at the nearby Ryton assembly plant next Monday and 3,000 on the Tuesday. The toolroom workers have now agreed to repair the machine on Monday so the flow of engines should be restored in time to enable the company to resume full production on Wednesday.

Conciliators hear BBC case in pay dispute

BY OUR LABOUR CORRESPONDENT

DEPARTMENT of Employment conciliators who have been asked by the BBC to help settle its pay dispute with unions representing 4,500 weekly-paid staff yesterday heard details of the employers' case from corporation officials.

Union leaders are expected to go to the Department next Wednesday.

Unless the dispute is settled soon, the BBC could well be faced with industrial action which could disrupt television programmes.

The DE was called in when direct negotiations between the two sides broke down earlier this week. The corporation has made an overall offer of 9 per cent. but the unions are demanding slightly more for some grades.

£2¼M. GRANT FOR OPERA HOUSE

On the eve of the 25th Edinburgh Festival, the Government yesterday confirmed that it would make a £2,250,000 grant towards the £4,500,000 cost of building an opera house in the city.

SURVEYS NEXT WEEK

Metals in Industry	Monday, August 23
Grenada	Wednesday, August 25
Air Chartering	Thursday, August 26

Lord Carrington returning from Malta talks to-day

BY RICHARD JOHNS VALLETTA, August 20.

LORD CARRINGTON, British Defence Secretary, is returning to London to-morrow following two rounds of talks with Mr. Dom Mintoff, the Maltese Prime Minister, on the terms on which British forces can remain in Malta.

To-night the second session was held after a long hiatus in the afternoon. They had met in the morning for one and a-half hours before adjourning the talks at lunchtime. They were expected to have dinner together which at least seemed one positive indicator during a day of almost total silence.

Both sides remained tight-lipped after the exchanges which even at this stage remain exploratory to a surprising degree. British officials are optimistic only to the extent that talks are still continuing.

But the feeling that Mr. Mintoff badly wants a settlement has, if anything, been strengthened. It is believed that the Maltese Premier would in the last analysis hold out for nothing less than £15m. a year in grant form.

Time is drawing short, with the Maltese Government's acute need for cash to tide itself over a looming financial crisis. Britain with the help of its NATO partners, is willing to help if the "basis" for agreement on terms can be laid.

In the background is Libya's offer which it is believed would preclude any military presence. As one British official put it to-day, "Libya is the joker in the pack."

Ignorance about Tripoli's proposals makes Lord Carrington's task in hammering out the basic agreement on which detailed negotiations can take place all the more difficult.

Lord Carrington

The initial British offer, made with contributions from some NATO countries, which would be a starting point for bargaining, is of £8.5m.—£5m. in the form of cash grant and £3.5m. in economic aid. The margin by which Lord Carrington may increase this is understood to be small.

At the same time, he is apparently not in a position to discuss in detail the "carrot" of the bilateral aid which the NATO countries are willing to negotiate.

A second question concerns the principles on which the British military presence would, if there was a financial agreement, stay.

Before this morning, there had been no discussion between the British and Maltese Governments on the duration of a treaty. There is still confusion too, over what functions Mr. Mintoff would allow the facilities to be put.

Britain's main concern is the negative one that the Soviet Union should be kept out.

According to reliable Maltese sources, the minimum rental figures which Mr. Mintoff probably has in mind is £15m., all of it in grant form, for exclusive rights for the island's military facilities, although he would ideally want £20m. or more. This compares with his opening bargaining position of £30m.

HQ transfer

Our foreign staff adds: NATO headquarters in Brussels announced yesterday that it will transfer its Mediterranean naval headquarters from Malta to Naples.

The announcement was consistent with the Alliance's Defence Planning Committee's decision of last Friday to withdraw from the island at the request of Mr. Mintoff.

Sources in Brussels said last night that the headquarters of the Allied Naval Forces, Southern Europe, which consists mainly of a 300-man communications centre, would be relocated after "a timely transfer" had been arranged by the NATO authorities in consultation with the Maltese Government.

It was emphasised in Brussels and London, however, that the scheduled withdrawal would have no effect on the £8.5m. "package" being discussed by Lord Carrington.

Vauxhall short-time warning a problem for unions

BY MICHAEL HAND, LABOUR CORRESPONDENT

VAUXHALL MOTORS' warning that it will probably have to introduce short-time working at its Luton, Dunstable and Ellesmere Port plants from September 20 because of an expected seasonal fall in sales has put the unions in a difficult position.

The management has told them that in the autumn there will be a surplus of labour of some 1,500 out of the total of 30,000 at the three plants. But it has also said that because of the difficulty there would be in finding alternative work at the present time it realises that they would probably be hostile to the idea of men losing their jobs.

Strong reaction

As reported in later editions of yesterday's Financial Times the company has therefore suggested short-time working as an alternative, possibly on the basis that employees would lose two days work every fortnight. The problem for the unions is that if short-time working is adopted as an alternative to redundancy the company would insist on suspending the recently introduced agreement under which workers are paid during periods of lay-off.

This has provoked a strong reaction among shop stewards and union officials, and the issue is certain to come up at next month's meeting of the company's joint negotiating committee on which the management meets leaders of the unions representing Vauxhall workers, the engineers, vehicle builders and electricians. But it is likely they will feel that they will have to accept short-time working on these terms in view of the present high unemployment, particularly on Merseyside, where the Ellesmere Port plant is sited.

The company has told the unions that production schedules will probably have to be reduced from September 20 "for a few weeks" to adjust to the annual seasonal decline in sales to be expected at that time in most of the company's markets around the world. It says it expects to step up production again some time in the first half of November.

In a statement the company adds: "In the first half of this year Vauxhall improved its share of the home market and increased exports substantially, with Bedford van and truck sales setting new records.

Close review

"In August the Government's recent measures have provided a welcome stimulus to car business in Britain though the truck market is depressed and shows no sign of an upturn so far.

"But by mid-September the normal seasonal fall in demand for cars and goods vehicles, both at home and overseas, is likely to affect the situation.

"The position will be kept under close review and plans will be kept flexible, but in the meantime it is thought desirable to keep employees informed of the likelihood of shorter working hours during the period in question."

Vauxhall's announcement has been made against a background of continuing redundancies in industry. The provisional figure for the first seven months of this year is 213,000 compared with 126,800 between January and July last year and 81,300 in the same period in 1969.

None of the other major car manufacturers are planning to introduce short-time working at this stage, although the difficulties in the commercial vehicle market have already caused British Leyland to dismiss several hundred workers this year. Chrysler also had to put truck workers on short time for a period earlier in the year. Ford is still working to capacity to catch up on demand which accumulated during its nine-week pay strike and is in the process of recruiting an additional 600 workers at its Dagenham plant.

90% OF PHONES NOW ON STD

Over 90 per cent. of Britain's telephone exchange lines now have the subscriber trunk dialling service. The number of exchange lines connected in the U.K. at the end of June was 9,408,897, up 885,536 on a year ago.

Dock labour cuts sought

BY ALEX HENDRY, LABOUR REPORTER

BRITAIN'S port employers are expected soon to put proposals for a substantial reduction in the size of the national dock labour force to union leaders.

There are 46,000 dock workers in the country, and port employers reckon that by the end of the year this will be more than 6,000 in excess of what is needed.

The rapid development of cargo-handling improvements, such as containers, is mainly responsible for the overmanning.

The employers are considering asking for changes in the dock labour scheme which prevents a docker being dismissed from the industry except for misbehaviour. Where a man cannot be found work—unattached—he receives fall-back pay from a fund supported by employers.

The scheme dates back to wartime when it was necessary to have a permanent force of dock workers to handle convoy cargoes. But employers now feel that there should be changes so that men can be dismissed from the docks in the same way as they can be dismissed from other industries.

London port employers recently told union leaders that there would have to be a reduction of the 800 light-duty men employed in the enclosed docks. The unions have rejected any idea of co-operating on this, and told the employers that it is a management problem.

COMPANY NEWS + COMMENT

John Peters record—2% extra & scrip

REPORTING the foreshadowed record profits for the year to March 31, 1971, the directors of John Peters (Furnishing Stores) are raising the dividend by 2 per cent. to 19 per cent. with a final recommendation of 15 per cent.

They also propose making a one-for-five scrip issue and expect, assuming trading conditions continue as at present, to maintain 19 per cent. next year on the enlarged capital.

Following the halfway rise from £252,097 to £347,204, the year's pre-tax profit shows an advance from £783,539 to £940,690, after a provision of £96,839 (£31,577) for an increase in the deferred profit reserve. The previous record profit was the £836,390 of 1968-69.

The group has a provision for deferred profit carried forward into future years of £543,988 against £447,149 last year.

Mr. Manny Cussins, chairman, has waived his entitlement to both interim and final dividends. It has been agreed with the Inland Revenue that the company ceased to be a close company within the provisions of the Finance Act, 1965 on April 11, 1997.

	1970-71	1969-70
	£	£
Profit	1,037,529	815,113
D'ld profit reserve	96,839	31,577
Pre-tax profit	940,690	783,536
U.K. tax	358,719	323,964
Sub. Pref. div.	11,000	11,000
Ord. dividends	287,331	250,710
Forward	1,397,433	1,043,793

See Lex

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Gripperrods lifts total by 10%

A FINAL dividend of 20 per cent. by Gripperrods Holdings effectively raises the total from 25 to 35 per cent. for the year to April 30, 1971.

Group profit advanced from £187,635 to £232,428 after a first half increase from £90,969 to £108,358.

The year's net figure was £140,868 compared with £105,840 after tax of £91,560 (£81,795).

The company manufacturers Gripperod "Tackless" and "Golden Gripper" carpet installation grippers and edging devices.

● **comment**

Gripperrods has pushed ahead faster still in the second half of 1970-71 with profits up 29 per cent. pre-tax for an annual gain of 24 per cent. Aside from some rounding up in March via decimalisation, the group has continued to keep prices static. That speaks volumes for internal efficiency against a sales rise of 26 per cent., given two major wage awards plus inflation generally, and a static performance from the engineering subsidiary (16 per cent. of total profits). Gripperrods reckons its pricing policy is now having a noticeable impact on market shares, and that is coinciding with a better carpet trend. First quarter 1971 manufacturers' sales are 6 per cent. higher in volume (17 per cent. in value). At 53p a p/e of 8.9 slips to 8.3 annualising the second half 1970-71 performance.

Bellair Cosmetics

Profit, before tax of Bellair Cosmetics for the nine months to June 30, 1971, amounted to £89,128, against £82,988 for the six months ended March 31, 1970. For the nine months it is stated before deducting the loss incurred by Saga of Bond Street of £31,643 for 11 months.

Saga was acquired on August 1, 1970, and during the latest period the manufacturing activity was transferred from Slough to the group's headquarters at Winsford. This had a temporary disrupting effect on turnover.

However, Saga became profitable during this period and is expected to contribute to group profits for the remaining six months of the current period ending December 31, 1971.

The directors are confident the rationalised activities of the enlarged group will result in greater profitability.

An interim dividend of 11¼ per cent. in respect of the 15 months is declared. For the previous year a total of 22½ per cent.—interim 7½ per cent. and final 15 per cent.—was paid.

SEET profit £54,775: no dividend

THE SHARP profit reduction indicated last April by Scottish English and European Textiles turns out to be from £307,700 to £54,775 at the pre-tax level for the year to April 30, 1971.

There is no dividend, against a total of 12½ per cent. for the previous year, but the directors hope to recommend not less than 4 per cent. for the current year of which an interim will be paid in January.

They report that trading in the first quarter and prospects for the rest of the period indicate results for 1971-72 "will be significantly better" than for the year just ended.

	1970-71	1969-70
	£	£
Trading profit	162,184	346,652
Investment income	3,409	31,928
Management expenses	45,451	27,184
Interest paid	65,347	43,716
Profit	54,775	307,700
Taxation	19,706	140,731
Minorities	25,013	35,592
Attributable	10,056	131,377
Pre-acquisition	—	30,431

● **comment**

Second half pre-tax profits have declined more rapidly for SEET, and the full year comes out 82 per cent. lower and much worse than envisaged a year ago. Turnover fell by about 8 per cent., with export sales dropping to 33 per cent. from 40 per cent. of the total. But a slight change of fortune is expected for 1971-72. One reason for the optimism rests with fashion's recent attachment to flannel and tartan; another stems from savings at the Harris Tweed division, where the labour force has been reduced, resulting in greater productivity. Hopes are that the forecast dividend of 4 per cent. will be covered, implying prospective pre-tax profits of £95,000. That would drop an historic p/e at 11p from 44 to nearer 13.7.

multiple. But for inflation taking a heavy toll of the group's recent high proportion of fixed price engineering contracts, group profits would have been even higher with all the other divisions moving well ahead. Here the group was able to pass on price increases fairly rapidly. In the first five months of the current year, the group's plant hire and raw material divisions have continued well with the volume of work up on a year ago. Against this, however, the engineering side still looks dull and until this all-important division picks up (about 40 per cent. of the turnover is for the public sector), the shares are unlikely to go much higher.

Robert M. Douglas on target

AS FORESHADOWED, Robert M. Douglas (Contractors) is maintaining its dividend total at 20 per cent. for the year to March 31, 1971, with an unchanged 15 per cent. final. Holders of the Restricted Ordinary again received their 1 per cent. payment.

After being down from £613,000 to £403,000 in the first six months, the pre-tax group profit shows an improvement over the full year from £989,481 to £1,042,529. Directors had indicated a satisfactory level fully adequate to maintain the distribution.

	1970-71	1969-70
	£	£
Trading profit	1,572,313	1,514,526
Pre-tax profit	1,042,529	989,481
Tax	439,806	474,134
Net profit	602,723	515,347
General reserve	200,000	140,000
Dividends	251,545	252,020
Forward	1,443,223	1,223,759

● **comment**

Although interim figures are not usually much of a guide to a contractor's progress — especially when profits are taken on contract completion — Robert Douglas' annual profit advance of 5¼ per cent. before tax pleased the market after the interim fall of 35 per cent. In any event the shares rose to a new 1971 high of 87½p where on earnings of 10p a share (against an adjusted 9½p in 1969-1970) they are selling on an 8¾ multiple.

Lotus expects to top £½m.

FOOTWEAR manufacturers Lotus expects a group profit, before tax, of over £500,000 for 1971, which would compare with £340,000 for last year.

Reporting a substantial increase from £67,000 to £229,000 in the first half, the directors say they expect the second half will be comparable to last year's £273,000.

An interim dividend of 3½ per cent. is declared. For the previous year there was a single payment of 5 per cent.

Sales of branded footwear have increased "substantially." Factory production has been maintained at a high level, and orders on hand are satisfactory. There has also been an improvement in trading of the retail subsidiary.

	Half-year 1971	Half-year 1970
	£000	£000
Group turnover	6,981	6,554
Trading surplus	358	221
Depreciation	76	85
Interest payable	53	69
Profit	229	67
Taxation	104	42
Net profit	125	25
Preference dividend	13	13
Ordinary dividend	47	—
Retained	65	12

● **comment**

In spite of having lost sales—especially to the mail order houses—during the 6 weeks' postal strike, Lotus has more than trebled interim pre-tax profits and profit margins compared with the depressed first-half of 1970. Although volume sales have remained virtually static, this hides a marked (and continuing) trend away from unbranded and towards the more profitable own brand shoes. So with strong order books—especially for own brands—and the probability of a recovery in the retail trading subsidiary, the omens look healthy. On the forecast profits of just over £500,000 (the group hopes to double this over the next five years) giving earnings of 5.1p a share against 2.8p in 1970, the shares at a new 1971 high of 52p look attractive on a prospective p/e of just over 10.

Stigwood confirms estimates

Directors of the Robert Stigwood Group confirm their earlier statement that results for the year to September 30, 1971, will not be materially different from the previous year's.

As forecast in the August, 1970, prospectus, a 7½ per cent. interim is declared. The offer for sale forecast a total of 20 per cent. for the current year.

Profits for the half year to March 31, 1971, were £245,000 against £259,000, before tax of £105,000 (£124,000). For the 15 months to September 30, 1970, the pre-tax profit was £655,000 and the dividend a single 12½ per cent.

Current successes enable confirmation that subject to unforeseen circumstances earnings for the year 1971-72 should be substantially greater.

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Relyon forecasts 5% rise

MANUFACTURERS of mattresses, divans, etc., Relyon P.B.W.S., forecasts a total dividend of not less than 25 per cent. for the current year, compared with a total equal to 20 per cent. for 1970. An interim of 10 per cent., against 6¾ per cent. equivalent, is declared.

Profit for the half-year to June 29, 1971, increased to £210,100 (£164,200) after loan stock interest £12,900 (same), but before tax of £82,000 (£71,000). The 1970 pre-tax figure was £396,723.

Results so far have confirmed the expectations the directors had last May and present indications are still good, they state.

● **comment**

It seems that most of Relyon's 29 per cent. increase in first-half pre-tax profits came from the bedding division, but then this was to be expected. A good part of the plastic foam profits come from thermal insulation and this comes into its own during the run up to winter. While higher bedding costs were passed on earlier in the year, volume sales—especially in the more expensive price bracket—were also well ahead. So with a strong forward order book for plastics, the growth rate could be maintained in the second-half to give annual earnings of at least 13½p a share against 10.4p in 1970. Unchanged last night at the 1971 high of 132p, the shares have their attractions on a prospective 9.7 p/e.

Benford Concrete up at midway

FIRST-HALF profits of Benford Concrete Machinery increased from £335,000 to £380,000 before tax of £152,000 against £155,000.

The interim is an unchanged 10 per cent. In the year 1970, the total was 42½ per cent. on pre-tax profits of £735,000.

● **comment**

With a gain of 13 per cent. in first half pre-tax profits Benford Concrete has started 1971 as it finished 1970. Once again the bulk of the growth came from Benford with Walker Bros. (galvanisers) chipping in a useful contribution. Although the sales split between U.K. and exports remained at roughly 60:40 respectively, the home market was far from buoyant. Demand for small mixers was fairly good, presumably reflecting the increase in house starts, but otherwise little improvement was seen. The second half is unlikely to see much deviation from this trading picture but anyway a p/e of 10 at 67p on past 12 months earnings can hardly be looking for much else.

Venesta sees improvement

No improvement was shown by Venesta International in the first two months of its current year when there were abnormally poor trading conditions in sheet materials. However, there have recently been signs of an improvement and it is anticipated there will be an increase in second-half profits.

This was the picture outlined by Mr. R. W. S. Plumley, chairman, at the annual meeting. Shareholders were told some benefits could be anticipated in the second six months from re-investment and other activities. It was believed that the worst was now over in relation to the group reorganisation.

Results due next week

August draws to a close next week and the list of company results remains at a subdued level. Such "names" as there are appear limited to tobacco major Carreras, and London Brick. The two should provide some cheer.

Carreras was 8 per cent. ahead before tax after six months, but the interest at the time centred on the forecast for 1970-71 as a whole. That was for £8.1m. pre-tax and prospective 25 per cent. growth (the figures are due on Monday). London Brick on the other hand is a recovery situation. Better trading conditions and capacity cutbacks did the trick in the latter part of 1970 and further recovery was expected for 1971. The interim is out on Thursday, and five-month brick sales were well ahead of the depressed 1970 period.

Also coming up for an airing are a couple of current market favourites. Rentokil (p/e 32 historic) and Telefusion (29) disclose respectively an interim and a prelim on Tuesday and Monday. Since its March, 1999, flotation, Rentokil has performed impressively. Pre-tax growth in 1970 was 24 per cent. and 1971 was expected to prove another good year. Colour TV growth prospects are what underpins market demand for Telefusion, which finished the first half of 1970-71 with 19 per cent. profits growth before tax.

Mather and Platt and the smaller Nu-Swift Industries make a neat fire protection duo. Mather (interim Thursday) followed up a static 1970 first half with a second half reverse. The tone of the accounts was mixed on 1971 prospects. Nu-Swift though had a steady 1970 with profits up 6 per cent. overall pre-tax. Pinpointing current year sales trends was made difficult by an order position clouded by the postal strike. The interim is out on Friday.

Tuesday is good for six months profits from tyre and motor accessory specialist Brown Brothers and Albany and from ICI subsidiary Carrington Viyella. The latter projected plenty of recovery in 1971, its arguments being based mainly on a return to profits at the Jersey Kapwood division which lost £1.7m. pre-tax in 1970. For BB and A, 1971 is the second full year of their merger. Profits growth was impressive in 1970, and the report took an optimistic line over 1971.

Elsewhere, interest is likely to be generated by half-timers from Pearl Assurance (on Wednesday) Clydesdale and Commonwealth Hotels (Thursday) and Aaronson Brothers and News International on Tuesday.

Company	Announcement due	Dividend %* Last year Int.	Final	This year Int.
FINAL DIVIDENDS				
Capital and Counties Property	Thursday	3	5½	3½
Carreras	Monday	4½	10	3½
Court Bros. (Furnishers)	Tuesday	6 9-11	11 4-11	7½
Courtney Pope (Holdings)	Tuesday	3.2†	11.46	6½ (c)
Cowan De Groot	Friday	10	22	10
Dencora Tea	Tuesday	—	Nil	—
William Ornby and Sons	Tuesday	12	21	12
Drury Holdings	Thursday	11½	12½	Nil
Ellis and Co. (Richmond)	Tuesday	—	21	—
Estates Property Investment	Wednesday	5½	10	6½
Galliford Brindley	Thursday	20	30	20
Frank G. Gates	Monday	—	15	—
A. and J. Gelfer	Thursday	6½	10	6½
Greaves Organisation	Tuesday	20	30	20
Hailne Holdings	Thursday	3	9	4
Hawkins Developments	Wednesday	—	Nil	—
Jentique (Holdings)	Monday	7	7	7½
Jos Holdings	Tuesday	2.4	4.8	2.5
Kennedy Smale	Monday	10	7½	10
Kinsley and Keith Chemical Group	Monday	—	17½	12½ (a)
Kursaal	Monday	—	15	5½
London and St. Lawrence Investment	Tuesday	—	4	—
Negretti and Zambra	Tuesday	2	2	Nil
Oceana Consolidated	Friday	—	5	—
Europia International	Thursday	Nil	7½	5 (d)
Second Alliance Trust	Friday	7½	12½	7½
Stock Conversion and Investment Trust	Monday	6½	8†	7½
Telefusion	Monday	10	12½	12
Turriff Construction Corporation	Monday	—	18	—
Vantona	Wednesday	7	8	4
Varney (Holdings)	Monday	3	6	3
Warner Holidays	Thursday	5	11	5
Windsors (Sporting Investments)	Friday	20	30	25
INTERIM DIVIDENDS				
Aronson Bros.	Tuesday	5 3-5	20	
Alliance Trust	Friday	7	13½†	
Austin-Hall Group	Tuesday	—	10 (b)	

Company	Announcement due	Dividend %* Last year Int.	Final	This year Int.
Black and Edgington	Tuesday	5 (e)	34†	
R. Brammer	Wednesday	8½	13	
Brown Brothers and Albany	Tuesday	4	14	
Carrington Viyella	Tuesday	1	Nil (g)	
Church and Co.	Wednesday	5	17½	
Clydesdale Commonwealth Hotels	Thursday	10	10	
Daleholme (Holdings)	Thursday	Nil	13	
Gaskell and Co. (Bacup)	Monday	15	20	
General Investors and Trustees	Thursday	7½	13	
Grimshawe-Windsor	Wednesday	—	6	
Hackney and Hendon Greyhounds	Tuesday	—	11	
Johnson Group Cleaners	Wednesday	6	5	
London Brick	Thursday	3	8	
London City and Westcliff Properties	Wednesday	5	7½	
Mather and Platt	Thursday	2.2	8	
Nu-Swift Industries	Friday	20	52.5†	
Paramount Realty Holdings	Wednesday	4	7†	
Pearl Assurance	Wednesday	50	150	
Pemberton Group	Tuesday	10	4	
C. W. Pittard	Monday	4	1	
Rentokil Group	Tuesday	6½	11½	
W. N. Sharpe	Monday	5	5	
W. and E. Turner	Wednesday	5	13	
Vectis Stone	Friday	12½	22½	
INTERIM FIGURES ONLY				
Development Securities	Thursday			
News International	Tuesday			
Penmount Estates	Wednesday			
Scottish Investment Trust	Thursday (b)			

* Adjusted for any intervening scrip issue. † Second interim. ‡ Forecast 10½ per cent. final. § Forecast not less than 20 per cent. total. ¶ Forecast not less than 15 per cent. total. (a) Made public April, 1970, forecast 20 per cent. final. (b) For nine months. (c) Forecast 17½ per cent. total. (d) Forecast 12 per cent. final. (e) Includes special interim 3 per cent. (f) First interim 15 per cent. already paid, forecast 35 per cent. total. (g) For nine months of Carrington and Dewhurst and 12 months of Viyella International.

DIVIDENDS ANNOUNCED

	Current payment %	Date of payment	Corresponding div. %	Total for year %	Total last year %
Abercom	†11 cts.	Oct. 1	—	(c)15	10
Amalgamated Roadstone int.	†12p	—	6.67p	12p	6.67p
Baraoora Tea int.	8	Sept. 7	—	8	10
Bellair Cosmetics int.	(h)11¼	—	7½	—	22½
Benford Concrete int.	10	Sept. 24	10	—	42½
Blakey's (Malleable Castings)	4	Sept. 30	3½	4	3½
Doloi Tea int.	10	Sept. 7	—	—	37½
Robt. Douglas	15	—	15	20	20
East Rand Consd. int.	(d)5	Oct. 15	—	—	12½
Gripperrods	20	Oct. 7	*12½	35	*25
L. Hammond	8	Sept. 28	*8	20	*20
Jersey External Tst.	3p†	—	3p	5p	5p
Lotus int.	3½	Oct. 8	—	—	5
Masson Scott Thrissell int.	10	Oct. 21	10	—	21
Midhurst Whites	11	—	10	11	10
Noyapara Tea int.	20	Sept. 7	—	—	20
John Peters	15	Nov. 3	13	19	17
Photax (London) int.	4	—	—	—	5
Relyon int.	10	Oct. 15	*6¾	(G)—	*20
Scottish English and European Textiles	Nil	—	7½	Nil	12½
Robt. Stigwood int.	(e)7½	Oct. 15	—	—	(f)12½
U.K.-Overseas Invest. int.	4	Oct. 15	4	—	12
Williamson Tea	9	—	6	8	6

* Equivalent after allowing for scrip issue. † Amount per share.

(a) Tax free. (b) On capital increased by rights and/or acquisition issues. (c) 14 cents was forecast in introduction statement. (d) Corrected. (e) As forecast in August, 1970 prospectus. (f) For 15 months. (g) Minimum 25 per cent. total is forecast. (h) In respect 15 months.

UNIT TRUSTS

Save & Prosper Property Fund

Save and Prosper is offering units in its Property Fund at 101.3p each until September 16 for a minimum single premium investment of £100. A Save-Insure-and-Prosper Plan is also available for a minimum monthly premium of £5.

A withdrawal facility can also be arranged for investments of over £1,000, giving the policyholder the option of annual rates of 4 per cent., 9 per cent. or 9 per cent. free of income tax and capital gains tax. Surtax payers, however, may be liable.

● **comment**

After much soul-searching Save and Prosper announced its Property Fund in March, 1971. This particular fund incorporates the now standard feature of a withdrawal arrangement though the choice of rates gives something of a unique variation. In addition, S and P guarantees to double the original investment over twenty years (assuming no withdrawal) and life cover increases year by year. S and P's growth estimates assume 7½ per cent. per annum tax free and it is interesting to note that only one-third of all property bonds that have been in existence for over twelve months have managed to exceed that rate—on an offer to bid price basis. However, historical considerations are rarely of great worth and S and P has not yet been given a chance to show its paces in this new field.

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JESSEL GOLD & GENERAL

Units in Jessel Britannia's Gold and General Unit Trust are available at 87.8p each until August 27, 1971. The estimated gross yield is 2.84 per cent. and the minimum investment 100 units.

● **comment**

Jessel Gold and General undoubtedly has a good investment record. Its 75 per cent. growth since inception in 1964 comparing with a 15 per cent. rise in the Financial Times Industrial Ordinary index and a 9 per cent. drop in the Financial Times Gold Mines index. However, the Financial Times Actuaries All-Share index—accepted as difficult to beat—has appreciated by 99.2 per cent. over five years (according to Planned Savings) against Gold and General's 47.1 per cent. growth—both including reinvested income and allowing for notional capital gains tax liability. The events of the past week clearly make this fund worth looking at, but the fact that the Financial Times Gold Mines index has dropped by 8 per cent. in the past week underlines the fact that a purchase should still be on long-term considerations rather than a speculation.

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ABBEY PROPERTY BOND OFFER

Abbey Life Assurance is offering units in its Property Fund at £1.18 each until September 7 for a minimum investment of £100. For investments of £1,000 and upwards policyholders may opt for the withdrawal schema which allows an income of 6 per cent. per annum, free of capital gains and income tax. Surtax payers are liable only on the profit element in the 9 per cent.

● **comment**

Abbey Life remains the undisputed leader of the property bond field, its fund still expanding at a steady £2m. a month despite hotter competition in this market and a recovery in Ordinary shares over recent months. The units have risen by 11 per cent. over the past 12 months (free of tax), though on an offer price to bid price comparison—the price that would actually be realised on disinvestment—the gain is reduced to a more pedestrian 3.9 per cent. Over a more meaningful three-year period the rise is 19.5 per cent., which compares reasonably well with both rival funds and unit trusts.

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THOMAS VALE SCRIP

Group profits of Thomas Vale and Sons were running at a materially higher level than last year and were gaining impetus month by month, chairman Mr. R. S. Leinster told the annual meeting. All branches were contributing to growth.

A one-for-eight scrip issue is proposed; and at least maintenance of the 16 per cent. dividend is forecast on the enlarged capital.

ISSUE NEWS

NOTTINGHAM STOCK

Brokers R. Nivison has arrangements in hand for the issue of £3m. 8 per cent. Redeemable stock 1979-80 to the City of Nottingham at £99 per cent. The stock is payable as to £10 per cent. on application, £20 per cent. on September 16, £30 per cent. on October 21 and £39 per cent. on December 1.

Full details will be published on Monday.

BROKEN HILL

Broken Hill Proprietary proposes to make a scrip issue on the basis of one-for-ten. The company will also offer shareholders and debenture holders an issue of medium/long-term Australian currency debenture stock. The offer will be made in October and the amount and terms of the issue will be announced earlier.

CHLORIDE

The directors of The Chloride Electrical Storage Company announce that of the £5.75m. 7¾ per cent. Convertible Unsecured Loan stock 1986-91 offered to holders at par a total of £5,458,535 has been taken up.

Applications for excess stock have been received for a total of £5.01m. stock. The £291,465 stock available to meet these applications has been allotted to applicants on the following basis: up to £150, in full: £151 to £8,000, about 4 per cent., with a minimum of £150; over £8,000, about 3 per cent., with a minimum of £320.

Allotment letters will be posted on Monday.

RESULTS AND ACCOUNTS IN BRIEF

CAISTER GROUP—Results for year to March 31, 1971, with directors' comments on prospects, reported July 30. Fixed assets £4.63m. (£3.5m.). Current assets £1.25m. (£1.06m.) and liabilities £1.86m. (£1.54m.). Chairman says group has been considerably streamlined, although there are some sections capable of improvement. Boat hire fleet now able to earn same revenue with less boats and should make reasonable contribution to profits. Meeting, Norwich, September 10, at 12.30 p.m.

B. FERTLEMAN AND SONS (furniture makers)—Results for year to March 31, 1971, reported July 28. Fixed assets £156,401 (£180,066). Net current assets £71,448 (£38,687). Chairman says group in strong position in advance towards increasing profitability. He views future with confidence. Meeting, Cafe Royal, W., September 7, 3 p.m.

FINANCE AND INDUSTRIAL TRUST—Profit year to July 31, 1971, was £35,060 (£31,397) after tax of £21,965 (£25,942). Dividend 12 per cent. (11 per cent.) already announced.

GOLD AND BASE METAL—July: Output in long tons, concentrates (73 per cent. grade): Tin 30 tons, columbite 3 tons. Seven months to date: Tin 237 tons, columbite 22 tons (same period 1970: Tin 379 tons, columbite 26 tons).

SAMUEL HEATH AND SONS (brass, copper and chrome ware)—Dividend 25 per cent. (same) year to March 31, 1971. Group profit £26,963 (£16,614) after tax of £10,019 (£9,536). Turnover £644,278 (£550,735).

HIGHLAND TEA OF CEYLON—Profit for 1970 was £2,660 and not £26,680 as reported on August 16.

WILLIAM JACKS AND CO. (exporters and overseas traders, holiday centre proprietors, computer peripheral equipment distributors)—Results for 1970 reported August 3. Group fixed assets £234,253 (£557,932). Net current assets £857,178 (£377,861). During the year Database was forced to abandon its efforts to sell the Clary 404 Computer to avoid continuing loss. The chairman states that this has been a most unfortunate venture, where suppliers were unable to fulfil the undertaking to supply equipment in accordance with original promises, nor could they supply in time. At December 31, 1970, subsidiaries of William Jacks and Co. (Malaya) held 1,533,946 Ordinary shares, now increased to 2,601,448. Despite the setback of the last year, the chairman repeats his confidence in the future success of the business. Meeting, Winchester House, E.C., September 15, noon.

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JERSEY EXTERNAL TRUST—Final dividend 3p, making 5p for year to March 31, 1971 (same). Profit £39,753 (£94,787) after tax £22,971 (£19,972).

LEONG TEA—Results 1970 reported August 11. Group fixed assets £245,179 (£320,680), current assets £174,839 (£175,703), liabilities £98,651 (£102,583). Chairman says prospects for 1971 are only fair. There have been further increases in labour costs and prices realised for early season's teas are somewhat lower than for 1970. Against this can be set an all-round improvement in outturn which at July 31 showed an increase of 50,000 Kgs to 372,500 Kgs. Meeting, 37, Mincing Lane, E.C., September 14, 11 a.m.

LYNCOM HOLDINGS—No dividend for 1970 (same). Pre-tax profit £15,884 (£7,348) after crediting income from property £11,881 (£7,586) and bank interest received £6,633 (£1,972). Tax takes £6,500 (£3,500). Credit carry forward £3,369 (debit £6,703). By end of current year, gross rental income is expected to be running at rate of £38,000 per annum (against actual rents of £11,881 for 1970) while pre-tax profit (excluding any dealing profits) is expected to be running at rate of about £23,000 per annum.

METAL PRODUCTS (WILLENHALL)—Results, year ended March 31, 1971, reported. Fixed assets £162,337 (£163,413). Net current assets £379,461 (£401,467). On future trading chairman says he is confident that with the productive capacity at the company's disposal "we are geared to take advantage of the expected resurgence of demand in the current year." Meeting, Wolverhampton, September 9, at 11 a.m.

PARWAY LAND AND INVESTMENTS—Interim 1½ per cent. (same—4 per cent. total). Pre-tax profit, six months to March 31, 1971, is £40,384 (£34,935).

SCEPTRE INVESTMENT TRUST—Gross revenue nine months to July 31, 1971, is £120,223 (£123,977). Interest, expenses and tax other than income tax £34,320 (£61,677). Net asset value per Ordinary share 73p (64p).

ST. GEORGE'S LAUNDRY (WORCESTER)—Results for year to February 28, 1971, already reported. Fixed assets £444,377 (£449,243). Net current assets £96,103 (£58,463). Further small increase in trading profit due to linen hire business and this is continuing to expand gradually. Additional services have been commenced to improve profits of dry cleaning section. Meeting, Worcester September 8, at noon.

VAN DIEMEN'S LAND—Net profit year ended June 30, 1971, £2,579 (£8,736). U.K. tax nil (same). Dividend 7½ per cent. (same) already announced.

BIDS AND DEALS

Bristol St. lifts bid for Bluemel

IN THE face of stiff opposition from the Board of Bluemel Bros. to its two earlier offers, the Bristol Street Group has again increased its bid for the company. The new terms value Bluemel at £1.85m., or 100p a share, and BSG stresses that this will be its final offer.

Shortly after BSG announced its latest terms yesterday, Bluemel's chairman, Mr. E. J. Scott, sent out a further letter to holders urging them to reject BSG's second bid worth 88p a share. Mr. Scott has anticipated BSG's latest move and advises holders they may receive a further revised offer. If this happens, he says, they should take no action until he writes to them again.

BSG's new terms are seven Ordinary, yesterday up 2p at 130p, plus 288p nominal of 10½ per cent. Unsecured Loan Stock 1975-77, for every 12 Bluemel. This values each Bluemel at 100p, taking the loan stock at par, compared with a market value of 89p. The offer closes on September 3.

A big increase in the capital value of Bluemel shares and a 35 per cent. rise in income are among BSG's arguments in favour of its offer.

In addition, BSG says the exit price-earnings ratio for Bluemel is 19.14 times historical earnings and 15.6 times forecast earnings. This compares with an adjusted p/e multiple of the Financial Times Actuaries Index of 15.2 times for the industry. The Financial Times Actuaries Index multiple of over 22 times referred to by Bluemel was "grossly misleading," argues BSG. This is because the p/e was distorted by inclusion of a major motor manufacturing group which, for the last financial year, disregarding exceptional credits, incurred a large loss.

BSG feels that Bluemel's profit forecast is disappointing. It is "entirely satisfied that there are numerous commercial advantages to this merger."

ASSOCIATES DEALS

On August 19 S. G. Warburg purchased for associates of Grand Metropolitan 21,718 Truman Hanbury at an average of 457.69p.

Panmure Gordon purchased for associates of Grand Metropolitan 253,940 Truman Hanbury at an average of 460.34p.

Cazenove bought on behalf of an associate of Watney 251,190 Truman at 460.35p average and 125,000 Watney at 122.5p and on behalf of Watney 100,000 IDV at 60p.

Guinness Mahon bought 30,300 Truman at 459p on behalf of Watney.

Rowe Swann bought 3,500 Bristol Street Group at 129p and 2,500 at 130p for associates of Bristol Street.

USH-Avimo forecasts

The formal offer document relating to the agreed offer by United Scientific Holdings for the shares not already owned in Avimo has now been sent out by Edward Bates Mounthall.

It contains profit forecasts for both companies. USH is forecasting a pre-tax profit of between £360,000 and £380,000 for the year to end-September compared with £359,000 the previous year.

Avimo is forecasting £150,000 for the 15 months to end-September, struck after taking into account the sale of two subsidiaries to Fairey for approximately £206,000.

The combined group will have an order book of approximately £4m., which is more than double the figure at the same date last year. USH already owns 55.2 per cent. of Avimo which it purchased at the end of June. The attributable profits of Avimo have been consolidated since that date, but are more or less offset by interest charges on the money borrowed to finance the purchase.

NORTHBOROUGH

Documents in respect of the agreed 72p a share offer by Mr. Leslie Lavy and associates for shares not owned in Northborough Investment Trust are to be sent out shortly. The offer follows the agreement reached last month by Mr. Lavy and his associates to acquire 415,000 Northborough shares from Dowgate and General Investments and Drakes.

Meanwhile, there have been Board changes at Northborough. Mr. C. Selmes, Mr. G. H. C. Clay and Mr. P. D. Kelley have retired and are replaced by Mr. Lavy (as chairman), Mr. H. R. Towning and Mr. H. Bart-Smith.

SWS (S. AFRICA)

In yesterday's report on the Slater Walker Securities (South Africa) acquisition of shares in L. Suzman not already owned, the value put on the Suzman shares under the terms was given as R6.5 (380p). This should have been R2.62 (153p) a share, taking the SWS (SA) shares at 340p.

Hemdale–Constellation

Hemdale Group yesterday confirmed reports that it is to make an offer for Constellation Investments, the trust for show business people which turns their income into capital. The offer has the recommendation of the Constellation Board.

Jessel Securities recently announced its own agreed offer for Constellation shares not already owned. Since then, however, Hemdale made an approach and Jessel, together with associates, is now to procure acceptance in respect of 800,000 Ordinary (40 per cent.) and 500,000 "A" Ordinary (24.1 per cent.) Constellation shares.

The Hemdale terms are shares and convertible loan stock underwritten to give a cash value of 38p for each "A" and 20p for each Ordinary share. This compares with the Jessel terms worth 34p for the "A" and 18p for the Ordinary.

Holders of Constellation convertible loan stock and those with options to acquire such stock, will be offered the higher of either the par value of the stock or, assuming conversion into "A" Ordinary, the cash value of the share offer. Stock which is postponed will be given the cash value of the share offer together with a compound annual growth rate of 5 per cent., payable on redemption. To secure this latter obligation, a trust fund will be established.

For Jessel which has managed Constellation, the sale of its interest will probably come as a relief. The complicated structure of the subsidiaries and of the company's capital have produced many problems, particularly accounting. This has not been helped by falling profits which have followed the change in the basis of actors' earnings whereby commission on profits has substituted lump sum payments.

Hemdale is acquiring Constellation firstly as an asset situation. At the same time, dilution of the Hemdale earnings is not expected, although it is not anticipated that Constellation will make any significant contribution to earnings in the first 19 months to two years.

Wallace Brothers and Co. is advising Hemdale and will arrange underwriting of the offer. Hambros Bank has advised Constellation.

● **comment**

Although Hemdale is undoubtedly acquiring Constellation at a low point in the latter's career—earnings more than halved in 1969-70 following the general recession in the film industry—the recovery potential is uncertain. While the assets (largely the various artists' potential earnings) could yield a fair return, the circumstances are virtually out of Hemdale's control. Consequently, Hemdale will have to be on its guard to avoid being bogged down in the same sort of accounting morass and declining profit trend that has been a feature of Constellation.

RELIANCE LAPSES MONTFORT BID

The directors of Reliance Hosiery (Halifax) announce that the offers made for the shares of Montfort (Knitting Mills) have been allowed to lapse.

ROWNTREE EXPLAINS ITS DECISION

Rowntree Mackintosh, formally announcing yesterday that its bid for Bovril had lapsed, explained also why it remained firm in not raising its bid a third time to counter the successful Cavenham offer.

The final Rowntree bid of 446p a share was arrived at after careful assessment of the potential benefits to Rowntree and the risks involved, it was stated. So far as Rowntree was concerned "a bid of some £1m. in excess of this valuation could not be justified."

BURNHOLME & FORDER

Within the next fortnight Beechmount Investment Company proposes to acquire from Channel International Trust 900,000 Ordinary shares of 10p each in Burnholme and Forder. Aggregate price will be 30p per share, including the option cost of 5p per share, as set out in the circular to shareholders in July.

Mr. P. H. Robinson has resigned from the Burnholme and Forder Board.

MILLAR AND LANG

The take-over battle for Millar and Lang, Glasgow art publishers, eased off yesterday when Mr. Gordon Currie and his associates announced through brokers that they were no longer interested in bidding, with or without the directors' approval, in view of a deal for the 50p Ordinary shares at 85p. The bid by Mount Securities of 75p in cash still stands.

SAUNDERS VALVE

The formal offer relating to the £9.6m. cash offer from Gallaher for Saunders Valve has been sent out by Lazards. The bid is agreed and the document is accompanied by a letter of recommendation from the Saunders chairman, Mr. P. T. Stephens. Mr. Stephens comments that Saunders will need substantial sums in the future to provide further working capital and additional fixed assets, and the fact that Gallaher will be able to provide support of this nature is likely to be of considerable assistance.

WM. REED

The foreshadowed offer from Dowgate and General Investments for the capital of William Reed and Sons not already owned has now been sent out by Capel-Cure Carden and Co. Dowgate bought 52½ per cent. of Reed at a cum-dividend price of 25½p and undertook to make an offer on the same terms to other holders. Terms are 25p per share in cash, but holders will retain the right to the proposed final dividend of 1½p a share, equivalent to ¾p after tax.

PRICE & PIERCE

Acceptances of the offers on behalf of Tozer Kemsley and Millbourn (Holdings) for Price and Pierce (Holding Company) have now been received in respect of over 95 per cent. of the Ordinary and over 90 per cent. of the Preference shares.

The offers have been declared unconditional subject to approval of the necessary resolutions at meetings to be held on August 23. They remain open, but the cash offer by Lazard Brothers and Co to acquire the convertible loan stock of TKM at par is closed.

GRA/SHAWFIELD

The offer by GRA Property to acquire all the 1,795,000 shares of Shawfield Greyhound not already owned has been accepted in respect of 1,239,875 shares (69.07 per cent.). It has become unconditional, but remains open.

Williamson Tea pays 2% more

THE directors of Williamson Tea Holdings are raising the dividend by 2 per cent. to 8 per cent. for the year 1970.

Group pre-tax profits rose sharply from £393,427 to £676,959. After tax, £284,991 (£206,981) the net profit was £391,968 against £186,446.

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SUMMARY OF THE WEEK'S COMPANY NEWS

Take-over bids and mergers

One of the two major situations dominating the bids aod deals scene for many weeks past has been resolved. By actively acquiring **Bovril** shares in the market, **Cavenham** haa won its fight for control and **Rowntree Mackintosh** has allowed its lower offer, which was approved by the Bovril Board, to lapse. Caveoham's cash alternative offer will not be extended beyond the elnsing date of August 31.

Meaowhile, the struggle for **Truman Hanbury Buxton** continues as grim as ever. Watney's further increased terms failed to gain the unanimous support of the Truman directors who cnotinued to back the **Graud Metropolltan Hotels'** bid by a fiva-to-four majority. Since then GMH has topped-up its offer by 15p a share cash to bring the value in line with the recent average price paid for shares in the market.

Behind-the-sceoes activity is still intense. The dissenting Truman directors have circulated sbarebolders stating their reasons for supporting the Watoey bid and the Prudential Assurance has disposed of half its 5 per eent. holding to Watney and the remaining half to GMH. Latest estimates suggest Watney ean call on 40 per cent. of the Truman equity and GMH between 35 and 37½ per cent.

Shortly after making the offer for Jnhn Myers uneonditional, **United Drapery Stores** has set its sights on **A. and S. Henry**, offering sharea and cash which value the latter at about £6.5m. Certain conditions are attached to the offer.

Sterling Guarantee has agreed terms for the acquisition nf **Wharf Holdings**. Similarly, **Sovereign Securities** has accepted an offer from **Town and City Properties**, while the Board of **Eldon R. Gorst** recommends shareholders to aceept a eash offer of 155p a share from **Christian Salvesen**. **Lewis and Peat's** approach to **John Martin of London** also carries a seal of consent.

No sooner bad **Constellation Investments** reeommended a bid from **Jessel Securities** when it agreed better terms with **Hemdale**, which Jessel also intends to accept, or proeure aceeptance, in respect of a minimum of 800.000 Ordinary shares and 500,000 "A" shares. By raising its terms considerably, **Drakes** finally won the support of the **Norvic Board**.

Company bid for	Value of bid per share k	Market price k	Price before bid	Value of bid (£m's) k	Bidder	Final Acc't'ce date
Prices in pence unless otherwise indicated						
Avimn	132	122g	133½	1.8	Utd. Sci'ntific	10/9
Baker (J. C.)	50*d	55½‡	51	0.4d	Mr. A. J. Strait	—
Barber Textile	13½*	13	12	0.7	Spirella Grp.	9/8
Barclays Bk. DCO	561½d	549	450	97.7	Barclays Bk.	—
Bluemel Brns.	82	69	82	1.5	Bristol St. Gp.	3/9
Bovril	459	464	365	14.1	Cavnhm. Fds.	31/8
Brit. & For. Gen. Secs. Inv. Tst.	82	86	73	8.3	Cedar Inv. Tst.	—
Broadvw. Fin. Tst.	55*	54	44	2.0	Ldn. Cty. Secs.	—
City Wall Props.	177½	175	192	12.0	Rank Orgn.	7/9
Colleit (J.)	61ªd	63	64	1.7	Lyon Group	—
Constable Hart	32*	35	23	0.9	Thom. Roberts (Wstmnstr.)	—
Constellation Inv. Ord.	20b	19½g	19	0.4	Hemdale	—
Constellation "A"	38b	36½g	35	0.8	Hemdale	—
Conway Stewart	92½*	91½	62	0.9	H'nan Beddow	—
Cunard	207	167	157½	26.9	Trafalg'r H'se	24/6
Dares Estates	8ª	9	11	0.2	Freshwtr. Gp.	25/8
Delta Controls	62	65	48½	0.7	Concentric	23/8
E. Kilbride Dairy Farmers	75*	70	75	1.2	Grand Met. Hotels	—
Edger Invests.	190½	211	113	10.0	Amal. Inv. & Property	27/8
Eldon (R.) Gorst	155*	150g	125	0.9	Christ'n Slvsn.	—
Fleming (A. B.)	72	70	49	5.8	Croda Int.	—
Fordatn	142	140	134	2.4	Foseco Minsep	—
Henry (A. & S.)	59¼	72½g	56¼	6.4	Utd. Drapery	—
Haynes F'rd Elliott	19³	19	15	0.5	J H B Jackson	—
Hotlas Textile	35*	33‡	35	0.6	Mr A R Lawson	—
Marlin (J.)	28	27g	25	1.1	Lewis & Peat	—
Marawan (Java) Robber	11*d	19	10½	0.05	Cluff & Co.	—
Miles Redfern	127½	118½	120	2.6	BTR Leyland	—
Millar & Lang	75*d	90	37	0.05d	Mount Secs.	—
Northborough Inv.	72*	92‡	67	1.4	Mr. L. Lavy	—
Norvic Shoe	69¼	68	50	5.0	Drakes	—
Orient & Gen.	32½	31	30½	4.6	Rothschild Inv. Tst.	27/8
Overseas Fin. Tst.	418½d	415	275	2.0d	Broadvw. Fin.	25/8
Penguin Publish'g	388d	370	260	13.4d	Pearson (S.)	28/10f
Peters (G. D.)	100*d	99	67	0.6d	Sch'der Wagg	26/8
Price & Pierce	400	480	380	6.5	Tozer K'msl'y	20/8
Qualitex Yarns	46d	44½	43½	11.7	Imp. Chem. Inds.	—
Reed (Wm.)	25½*	34½	24	0.5	Dowgate Gen.	10/9
Saunders Valve	160*	155	125	6.6	Gallaher	10/9
Seafield Amal. Rbr	55	58½	51	13.8	Sime Darby	—
Settle Speakman	282½d	280	267½	1.0d	Eastern & Gen.	—
Shawfield G'h'nd	24*	24½	19½	0.4	GRA Prop Tst	20/8
Sovereign Secs.	94	90	87	4.7	Town & City Py.	—
Tillotson Ord.	235*	235	207	5.7	St. Regis Ppr.	16/8
Tillotson "A"	210*	208	182	5.7	St. Regis Ppr.	16/8
Truman Hanbury	452½	459	254	49.1	Grand Met. Hotels	23/8
Truman Hanbury	433½	459	344	47.0	Watney Mann	23/8
Twyfords	109	117½	86	10.2	Glynwed	2/9
Vaal Reefs	—	530	570	73.8e	Proposed merger	—
Western Reefs	—	258	273			
Vanguard Plant	15*	15	16	0.3	Harvey Plant	—
Wharf Hldings	234	227g	218½	6.5	Sterling Guar.	—
W. Indies Sugar	74½	70	32	0.3	Tate & Lyle	31/8
West of Eng. Sec.	14½	13	11½	1.1	Newman Inds.	—
W. Riding Wsld.	71d	69	41½	4.8	Coats Patons	—
Westminster Tst.	84½	75	57	9.1	Land Secs. Inv.	—
Wighem-Rich'son	222½	245	165	9.7	Slater Walker	—

* All cash offer. b Cash alternative. c Partial bid. d For capital not already held. e Combined market capitalisation. f Date on which scheme is expected to become operative. g Based on 20/8/71. k Based on 19/8/71. ‡ At suspension.

INTERIM STATEMENTS

Company	Half-year to	Pre-tax profit (£000)		Interim dividends* %	
Anchor Chem.	June 27	118	(109)	5½	(5½)
Boddingtons'	June 30	352	(280)	5b	(3½)
Richard Clay	June 30	305	(258)	3.5	(3.18)
Clayton Dewandre	June 30	933	(901)	8½	(8)
Cornell Dresses	June 30	52	(32)	6¼	(8½)
F. C. Finance	June 30	323	(266)	8½	(7½)
Ibstock Johnsen	June 30	469c	(263)	10	(8)
Jeyes	June 16	441	(410)	7	(6¾)
Lamson Inds.	June 30	3,046	(3,250)	—f	(5)
Law Land	June 30	451	(428)	4½	(4)
Tom Martin	June 30	426d	(507)	10	(10)
Newey & Teyler	July 4	544	(187)	5	(4)
Olives Paper	June 30	33	(58)	5	(5.21)
Philips Lamp	June 30	208,000a	(515,000)a	—	(—)
Reardon Smith	Sept. 30	619e	(908)	2½	(5)
Rowton Hotels	June 30	210	(223)	8½	(8½)
Royal Insurance	June 30	20,500	(14,600)	22	(20)
Sharpe & Fisher	June 30	164	(104)	8	(5)
Smith & Nephew	June 19	3,509h	(3,262)	7	(6½)
Stowe & Bowden	Mar. 31	26†	(32)	Nil	(3)
Bernard Wardle	June 13	41	(241)	10‡	(10)
Wilkinsons Trpt.	June 30	160	(131)	15	(11.1)

(Figures in parentheses are for corresponding period.)

* Adjusted for any intervening scrip issue. † Loss. ‡ Maintained total 22½ per cent. forecast. § Made public January, 1970. ¶ Excluding exceptional debits £138,531 (£6,979 credits). a Florins. b Total of 17½ (16½) per cent. already forecast. c Includes five months of Roughdales. d Includes £46,237 from Coley Metal Group. e Estimated. f Forecast maintained interim to be declared in September. g No comparable figures. h Includes Gala Cosmetic. i Forecast maintained dividend after scrip.

PRELIMINARY RESULTS

Company	Year to	Pre-tax profit (£000)		Earnings* %		Dividends* %	
Adams Butter	May 1	218	(180)	14.9	(16.4)	13½	(13½)
AGB Research	April 30	301§	(243)	52.0	(37.4)	31	(14.55)
W. G. Allen	Mar. 31	316	(212)	34.5	(18.3)	15½	(15)
Ashworth & Stew.	Feb. 28	144	(240)	10.7	(24.8)	15	(15)
Assoc. Food	April 24	490	(—)g	33.2	(—)	19	(18)
Benn Bros.	June 30	200	(353)	17.1	(23.1)	13½	(13½)
British Relay	May 1	804	(1,068)	8.2	(10.9)	3	(9)
P. C. Cahill	April 30	160	(135)	22.2	(34.3)	21	(21)
P. J. Carroll	June 30	1,872	(1,752)	31.6	(30.0)	20	(17)
Cawoods	Mar. 31	2,092	(1,651)	42.2	(29.0)	25	(22½)
Cussons	Mar. 28	504	(630)	29.5	(33.6)	20	(28½)
Dixons Photo.	May 1	828	(225)	43.4	(36.1)	15	(10)
Alfred Dunhill	June 30	1,766	(1,460)	114.2	(89.4)	55	(43½)
Hattersley Stel.	April 3	1,287	(818)	72.0	(42.4)	37½	(35)
Heywood Williams	April 30	216	(275)†	9.3	(—)	Nil	(Nil)
S. Hoffnung	Mar. 31	1,309	(1,020)	58.3	(44.9)	36	(35)
Jacksons Bourne	Mar. 31	12†	(47)	—	(12.2)	3	(15)
Phillip Kuolek	April 24	38	(15)	18.0	(5.2)	15	(5)
Leadenhall-Stlg.	Mar. 31	103	(138)	12.5¶	(18.3)	15	(15)
McLeod Russel	Mar. 31	356	(146)	34.7	(13.1)	8	(5)
Norwest Holst	Mar. 31	926	(1,012)	48.4	(45.8)	25	(25)
Olympia	Mar. 31	444	(409)	34.7	(33.9)	21	(21)
Peak Trailers	May 31	171	(72)	25.5	(9.3)	12½	(5)
Pifco	April 30	455	(388)	139.5	(112.5)	50	(45)
Raglan Prop.	Mar. 31	182	(154)	6.7	(5.1)	7½	(5)
Richards Bros.	Mar. 31	323	(280)	32.2	(41.1)	27½	(27½)
Southerns-Evans	April 30	1,104	(957)	38.5	(28.8)	20	(20)
Steel Group	Mar. 31	3,332	(2,166)	61.7	(34.1)	27½	(22½)
U.K. Property	June 30	108	(96)	20.6	(17.4)	20	(16½)
Ward & Goldstone	Mar. 31	1,994	(1,241)	42.4	(24.0)	20	(15)
Joseph Webb	Mar. 31	180	(110)	43.1	(12.3)	17½	(17½)

Offers for sale, placings and introductions

Unitech: Introduction of 2.69m. 10p Ordinary shares, also private placing of 300,000 8 per cent. Series A Convertible Redeemable Cumulative Preference £1 shares at 115p each.

Scrip Issues

AGB Research: One-for-ten.

W. G. Allen and Sons (Tipton): One-for-ten.

British Relay Wireless and Television: One-for-twenty-five.

Norwest Holst: One-for-one.

Richards Bros. and Sons: One-for-one.

Southerns-Evans: One-for-ten.

Four new Orders on medicines

FOUR NEW Orders have been made by the Department of Health and Social Security and the Ministry of Agriculture and Fisheries concerning surgical materials and human and veterinary medicines.

The Medicines (Control of Substances for Manufacture) Order relates to licensing of substances of a biological nature whose quality and potency depend on strict control in manufacture, including testing.

The Medicines (Surgical Materials) Order enables safeguards to be laid down regarding safety and quality of surgical materials. Both come into effect from September 1.

The Medicines (Exportation of Specified Products for Human Use) Order excepts certain medicinal products for human use in relation to their exportation, and is made by the Department of Health.

A similar Order entitled Medicines (Exportation of Specified Veterinary Products) has been made by the Ministry of Agriculture. Both come into effect from August 31.

INTERNATIONAL OFFSHORE BUYS TWO MORE SHIPS

International Offshore Services (U.K.) has increased its fleet of seismic vessels to four by the purchase of two German ships which were specially converted for offshore seismic and research work.

Re-named the Lady Christine and the Lady Isabelle, both vessels are working on long-term charter with the Compagnie Generale Geophysique.

£3 offer ends 16-week strike

BY ANDREW HARGRAVE

GLASGOW, August 20.

THE 16-week strike at Burroughs Machines' Cumbernauld and Strathleven (both Dunbartonshire) factories ended to-day when members of the Amalgamated Union of Engineering Workers accepted a fresh management offer of a £3 a week rise immediately and a further £1.50 a week from July, 1972. The agreement runs until March, 1973.

Work will resume on Monday with a labour force drastically cut from its pre-strike levels. Employment of the two factories of about 5,000 18 months ago now stands at 2,700. About 500 workers were paid off during the strike which followed the union's rejection of a pay offer of £1.87½ a week to be followed by a similar rise next year.

The condition of reducing the offer by any nationally agreed pay increase has also been dropped.

LOTUS HAS JULY SALES RECORD

July is generally considered by Lotus Cars to be a quiet month in terms of sales, due to the fact that the factory is shut for annual holiday. However, sales this year have recorded the highest ever domestic market deliveries for the month.

Lotus has shipped 165 cars, which represents a 50 per cent. increase on the same period last year and also compares more than favourably with the previous months of 1971.

RECENT ISSUES

EQUITIES

Issue Price p	Amount Paid Up	Latest Renunc. Date	1971 High	1971 Low	Stock	Closing Price p	+ or −	Div. & or Amount	Times Covered	Gross Yield	P/E Ratio
75	F.P.	3/9	83	75½	Allied Polymer	75½	−1½	b18	1.3	5.0	13.1
◆	F.P.	—	190	150	Berwick Timpo (£1)	181	−5	b6	3.5	3.3	11.4
◆	F.P.	11/8	163	132	British & Cmn. Inv.	153	+2	9	—	1.4	—
—	F.P.	—	49	40	Cap. & Counties W'r'ts	46	+4½				
38	F.P.	21/7	45½	40	Coley-Rotolin Grp.	40		b10	1.7	6.2	9.3
◆	F.P.	30/7	59	50	Commodore Secs.	57½		b12¼	2.2	2.2	21.5
◆	F.P.	—	61	55	Coralt	56		b15	1.8	6.7	8.1
50	F.P.	11/8	105	90½	Evans of Leeds	105	+5	b15	1.4	3.5	20.0
44	F.P.	27/8	56	52	Forminster 10p	56	+½	b37¼	1.4	6.7	10.7
00	F.P.	5/8	105½	97	Glendevon Inv.	106		b12	—	6.9	—
00	F.P.	5/8	115½	100½	Do. Do. "B"	110	−2	—	—	—	—
40	F.P.	3/9	124	112	Kettering M'c'rServ 10p	120		b40	1.6	3.3	18.2
32	F.P.	27/8	63	55	Lawdon (10p)	62		b36	1.8	6.5	9.9
30	F.P.	4/8	45½	33	Lincroft Kilgour (10p)	35½	−1½	b27	1.9	7.8	6.8
◆	F.P.	11/8	265	240	Mathews Wright'n 20p	244	+1	b40	1.9	3.3	16.3
—	F.P.	15/9	72	65	Mackinnon (A.&J.) Dfd.	72					
52	F.P.	26/8	83	72	NSS Newsagents (10p)	80		b23¼	2.2	2.8	15.9
—	F.P.	—	86	70	Schlesinger (£1)	70	−1	b4.2	—	3.5	—
16	F.P.	5/9	69½	66	Thanet Inv. 50p	68		—	—	—	—
38	F.P.	5/8	34½	32½	Do. Warrants	33		—	—	—	—
17½	F.P.	8/9	18	16½	Wright-Screen (12½p)	16¾		b12	1.5	8.0	7.4

FIXED INTEREST STOCKS

Issue Price	Amount Paid Up	Latest Renunc. Date	1971 High	1971 Low	Stock	Closing Price	+ or −
00	F.P.	—	99	85½	Airlease 9% Gua. S Bds. 1986	98½	
00	F.P.	—	99½	98	Do. 8½% Gua. S Notes 1976	99½	
00	F.P.	—	103	98	Armour Trust 10½% Part. Conv. '91-6	103	
00	£25	15/10	28½	24½	Automotive Products 10.4% Deb. '96-2001	27¼	
00	£36	29/10	36½	34½	Brady (G.) 11% Deb. 1991-96	35½	
00	£50	31/12	61½	50	Bristol E. Pst. 10½% M. Deb. '91-6	61½	
	F.P.	17/9	105	98	Butterley 10% Part. Conv. 1976	105	
00	F.P.	6/9	96½	93½	Cap. & Counties 9% Uns. '91-6	95½	
00	F.P.	6/8	111	101½	Cattle Hlds. 9% Conv. '87-91	111	
08	F.P.	—	89	86	Central & Sheer 10% Uns. 1981	89	
00	F.P.	12/8	115	103	Chloride 7¾% Conv. 1986-91	114½	−½
00	F.P.	8/9	105	99½	City Acre 10.2% 1st Mort. '91-6	103	+½
00	£25	14/1	23½	21	Distillers 10¼% Uns. Ln. '93-8	23¾	+¼
			115	95½	Drakes 10¼% Uns. Ln. 71/78	95½	
	£25	1/10	20	18¾	Eastbourne Water 10½% Red. Deb. '96-7	20	+1¼
	£50	1/10	55½	50	Hargreaves 10½% Deb. '92-97	53½	
0	£50	24/9	55½	51	Hepworth Cer. 10.4% Deb. '92-7	53½	
	F.P.	—	102⅝	100	Int. Bank 8% 1976	102⅝	+1⅛
7½	F.P.	30/11	103½	98	I.C.F.C. 9% Uns. Ln. Stk. 1977	103½	
	F.P.	—	99½	98	I.C.I. Int. Fin. 8% ST. D.M. Bds. '78-86	98¾	
	£10	—	10½	10¼	Ireland 3½% Stock 1991-96	10¼	
	F.P.	20/8	115	103	Kleeman 7½% Conv. 1981	111	
	nil	—	6	6	Kulim 10½% Conv. Uns. Ln. Stk. 92/97	5pm	
	F.P.	27/8	111	107½	Mid. Sth Water 10% Red. Pref. '77	108	
	F.P.	15/9	102	92½	Newman Inds. 10½% Part Conv. '96-6	99	
	£10	17/12	10½	9¼	North'pton Corp. 8% Red. Stk. '78.9	10	−⅛
	F.P.	11/8	113	105	Plantation 11% Conv. Sub. '91-96	110	
	F.P.	15/10	117	114½	Racal Elect. 6% Conv. '95-2000	116	
	F.P.	16/9	105	100	Ralli Int. 8% Uns. 1974	102½	
	£35	7/10	35½	24½	Reeves (F.J.) 11% Deb. '96-2001	35¼	
	F.P.	—	41	41	Rothschild Inv. 4½% Deb. Stk	41	
	F.P.	—	47	47	Do. 5% Cum. Pref	47	
	F.P.	—	55	53	Do. 6% Cum. Pref.	53	
0	F.P.	13/8	107	96	Ruberoid 10¼% Prtly Conv. Uns. Ln. Stk. 90-95	104½	
0	F.P.	—	98½	97	Sandvikens 9% $ Bonds 1986	87	
	£50	31/1	50½	[illegible]	Sheepbridge 10½% Deb. '92-7	50½	
0	£25	3/10	34	28½	Throgmorton Tst. 8½% Conv. 88-93	34	+1¾
0	F.P.	9/8	107	101	Union Comm. 6½% Conv. 1986	105½	+1
	£10	15/9	18½	18½	Wrexham & E.D. 10% Red. Pref. 1977	18¼	

"RIGHTS" OFFERS

Issue Price	Amount Paid Up	Latest Renunc. Date	Stock	Closing Price p	+ or −
	Nil	3/9	Atlas Stone	15pm	
35	37½	2/7	Bougainville Mines	64	+1
	F.P.	2/8	Ikon	198	+2
	Nil	25/8	Gilspur Inv.	18pm	+2½
	Nil	—	Lon. & Assoc.	2pm	
	Nil	26/8	Sheepbridge Eng.	6½pm	−1
	F.P.	20/8	Welsh-Hughes	155	−1
	Nil	20/8	Yorkshire Carpets	8pm	+½

Renunciation date usually last day for dealing free of stamp duty. a Placing to public. b Figures based on prospectus estimate. d Dividend rate paid or payable on part of capital; cover based on dividend on full capital. k Figures based on prospectus or other official estimate for 1969-70. p*** Pence unless otherwise indicated. ** Issued by tender. ¶ Offered to holders of Ordinary shares as a "rights." ♥ Issued by way of rights. † Rights by way of capitalisation. †† Tender lowest price. ◆ Reintroduced. :: Issued in connection with reorganisation, merger or take-over. ⊕ Provincial quotation. ♣ Introduction. ◆ Issued to former preference holders. * Deals in under Special Rule. $ Price at time of suspension.

WALL STREET + OVERSEAS MARKETS + LATEST PRICES

Cautious but reaction halted

BY OUR WALL STREET CORRESPONDENT

NEW YORK, August 20.

THE RECENT REACTION, after the sharp two day advance, was halted on Wall Street to-day, when a slightly firmer tendency developed in further reduced activity.

The Dow Jones Industrial Average firmed 0.14 to 880.91, for a rise of 24.89 on the week, while the NYSE All Common Index, at $54.38, was up 10 cents on the day and $1.50 on the week.

Volume further decreased 2.3m. shares to 11.89m., and had fallen steadily from the all-time record of 31.72m. of last Monday.

Caution ahead of foreign currency market openings on Monday, and questions on the short-term difficulties of President Nixon's new economic policies seemed to offset bullish U.S. economic indicators released during the day.

The economic indicators included the report that the rise in the Consumer Price Index slowed in July, compared with June. Also, second quarter Gross National Product figures were revised upward.

Among "Glamours," IBM gained $2 to $309, but Polaroid lost $1¼ to $100⅞. Disney added $1¼ at $107½.

General Motors were up $¾ to $83¼, Ford $¼ to $67⅞ and Chrysler $¼ to $31.

Oils were mixed.

Marcor fell $⅞ to $33⅞ on its 18 per cent. drop in second quarter earnings. Reynolds Metals lost $⅞ to $20¼ on its cut quarterly dividend.

Sears were up $¾ to $91⅞—Allstate Insurance, which is owned by Sears, reported first-half earnings of 39 (33) cents per share.

Most Airlines improved. KLM added $1½ at $34, Pan Am $⅛ to $11⅞ and UAL $¼ to $37⅞.

Sony rallied $⅝ to $16½. Superscope firmed $¼ to $17⅞—it plans to boost its prices to compensate for the 10 per cent. tax on Sony imports it distributes.

Weldwood of Canada lost $1½ to $12.

PARIS—Slightly easier on international monetary uncertainty.

Financials, Constructions, Foods and Stores were all lower, Oils and Chemicals yielded small ground.

Foreign stocks generally lower. International Oils weak.

STOCKHOLM—Well maintained.

BRUSSELS—Easier on currency uncertainties.

Small gains predominated in Foreign Stocks.

GERMANY—Markets were resistant, with selective buying following initial uncertainty, major Chemicals and Electricals were higher, Banks firm. Volkswagen also were firm after announcing 1972 price increases.

AMSTERDAM — Most Internationals recovered. Shippings and Plantations edged higher, but local Industrials predominantly lower. Banks eased, Investment Funds recovered slightly, Insurances further declined.

State Loans mixed.

SWITZERLAND — Slight recovery in quiet dealings. Financials narrowly irregular.

State Bonds maintained.

Dollar stocks and Dutch Internationals narrowly mixed, Germans generally maintained.

OSLO—Banks, Industrials and Shippings barely steady.

VIENNA—Very hesitant.

COPENHAGEN—Steady in fairly active trading.

TOKYO—The market made a sharp recovery, after four days of heavy decline. Volume 230m. (340m.) shares.

The upturn was led by Constructions, Dredgings, Electricals, and Insurances.

Okumuragumi were up Yen 40, Wakachiku Construction Yen 34, Daito Kogyo Yen 35.

Oils were lower, however, following reports of possible organisation of petroleum exporting countries (OPEC) plans to raise crude oil prices in case of foreign currency exchange rate adjustments.

AUSTRALIA—Mines continued to ease with most "heavyweights" registering year lows during the day. Oils also fell but Industrials rallied slightly.

WMC came back 7 cents to $3.04 on the industrial dispute at the Kambalda Mine. Peko Wallsend shed 8 cents to $8.04. Utah dropped 20 cents to $3.25 but Bougainville rose 10 cents to $2.75. Queensland Mines fell 50 cents to $4.90 and Kathleen Investments lost 35 cents to $3.55. Whim Creek added 5 cents at $4.50.

JOHANNESBURG — "Buffels" dropped 55 cents to R295 on a probable dividend cut. Other Golds were mixed. Platinums higher. Financial Minings drifted lower.

OTHER MARKETS

Canada lower

Canadian Stock Markets closed lower in very light trading yesterday morning. Only Golds, up 0.34 on index, and Base Metals, up 0.73, moved against the general trend.

Supertest, however, added $2¼ at $56½ and Alberta Gas Trunkline "A" climbed $1 to $47⅞.

Indices

NEW YORK

DOW JONES AVERAGES

Close	Home Bonds	Transport ‡	Indus. *	Util. Φ	Trading volume† 000's
Aug. 20	70.59	252.60	880.91	113.51	11,890
19	70.46	250.53	880.77	113.55	14,190
18	70.55	257.02	876.17	113.69	20,660
17	70.55	258.82	898.90	114.42	26,790
16	70.02	255.22	888.95	115.16	31,720
13	69.92	214.25	856.02	113.02	8,960
12	69.35	213.87	859.01	113.15	15,910
11	69.86	208.25	846.59	112.58	11,570
1971 High	71.98 (16/4)	252.79 (22/4)	950.82 (28/4)	128.39 (19/1)	—
Low	68.62 (4/1)	189.70 (4/1)	830.57 (4/1)	111.85 (9/8)	—

* All-time high 995.15 (9/2/66)
‡ All-time high 279.88 (7/2/69)
Φ All-time high 163.32 (20/4/65)
† Excluding bonds.

IND DIVIDEND YIELD p.c.

Aug. 13	Aug. 6	Aug. 5 1970
5.74	3.75	4.40

N.Y. SE ALL COMMON INDEX

Dec. 31, 1965=50.

1971 High	1971 Low	Fri.	Thurs.	Wed.	Tues.	Mon.
67.79 (28/4)	49.75 (4/1)	54.38	54.28	54.55	55.27	54.67

RISES AND FALLS

Issues traded	Up	Down	Unchanged
1,651	713	634	304

1970/71	Fri.	Thurs.	Wed.	Tues.	Mon.
New Highs	35	27	39	76	61
" Lows	41	38	35	29	17

AMERICAN SE ALL STOCKS AVERAGE

1971 High	1971 Low	Fri.	Thurs.	Wed.	Tues.	Mon.
29.69 (28/4)	22.72 (4/1)	25.13	25.10	25.17	25.29	25.15
Volume (000's)		2,760	5,180	4,660	6,480	9,620

STANDARD AND POORS U.S. STOCK INDICES

	*Industrials	†Composite
Aug. 20	106.49	98.33
" 19	106.31	98.16
" 18	108.84	98.60
" 17	110.45	99.99
" 16	108.92	98.76
" 13	105.46	95.69
" 12	105.83	96.00
1971 High	115.84 (28/4)	104.77 (28/4)
1971 Low	99.73 (4/1)	91.15 (4/1)

* 425 Industrials. † 425 Industrials, 50 Utilities and 25 Rails. (1941=10.)

STOCK AND BOND YIELDS

	Aug. 18	Aug. 11	Aug. 19 1970
Industrial div. yield pc	2.91	3.04	3.98
Price-earning ratio	18.34	17.57	15.50
Long-term Govt. Bds. yield pc	5.01	6.21	7.08

MOST ACTIVE STOCKS

	Shares traded	Closing price	Change on day
Sony	214,400	16½	+⅝
Shell Oil	187,900	43⅝	—
Occidental Petrolm.	175,500	15⅞	—
Braniff Airways	150,900	12⅞	+1
Santa Fe Ind.	108,600	30½	+⅛
Cyprus Mines	102,300	38	−1
Southern Pacific	102,100	45⅞	−⅛
American Motors	92,900	6⅞	—
Goodyear Tire	90,600	33	—
Japan Fund	90,300	10⅞	+⅛

TORONTO

INDUSTRIAL INDEX

Closed August 2

Aug. 20	Aug. 19	High 1971	Low 1971
173.31	173.58	188.74 (2/11)	173.31 (20/8)

MONTREAL

INDUSTRIAL INDEX

Aug. 20	Aug. 19	High 1971	Low 1971
180.40	180.56	188.89 (20/4)	178.50 (4/1)

COMBINED INDEX

Aug. 20	Aug. 19	High 1971	Low 1971
177.99	178.26	185.03 (20/4)	172.85 (22/1)

JOHANNESBURG

	Aug. 20	Aug. 19	High	Low
Industrials	195.1	196.0	212.4 (9/6)	163.8 (3/1)
Golds	77.7	78.9	89.3 (19/4)	77.7 (20/8)

(1968=100.). Source: Rand Daily Mail.

AUSTRALIA

MELBOURNE YIELD INDICES

Av'ge yield on 50 Leading Stocks	Aug. 19	Aug. 12	Aug. 5
On Dividends	5.77	6.64	6.23
On Earnings	8.77	2.62	2.65

SYDNEY ALL ORD. INDEX

Aug. 20	Aug. 19	High 1971	Low 1971
460.44	460.29	518.51 (4/1)	460.44 (20/8)

TOKYO

NEW SE INDEX

Base=100 January 4, 1968.

Aug. 20	+ or −	Div. %	Yield %
176.38	+5.75	1.90	3.43

	High	Low
1971	208.19 (13/8)	148.83 (5/1)

EUROPE

	Aug. 20	Previous	1971 High	1971 Low
Belg'm (m)	102.64	102.95	106.74 (30/7)	92.18 (6/1)
France (bb)	75.3	76.6	79.2 (28/7)	74.8 (6/1)
Germany*	103.28	103.40	112.71 (25/2)	94.86 (6/1)
Holland (o)	116.4	117.3	128.0 (8/4)	112.6 (6/1)
Italy†	(c)	60.36	60.09 (6/5)	48.94 (12/7)
Sweden (p)	219.54	273.94	282.71 (23/6)	245.71 (6/1)
Switz'rl'd**	396.0	391.6	412.9 (10/8)	365.0 (4/1)

Heraldan index. † Base amended to January 2, 1962, from December, 1950. **Swiss Bank Corporation Index base 100 December, 1958. (b) Basis 100 December 29, 1967. (c) Closed. (m) Base date amended from 1953 to 1963. (o) Adjusted now quoted on basis 1963=100 and no longer 1953=100. (p) Base date December 29, 1958. (bb) New index introduced by Paris Bourse Committee basis 1961=100.

OVERSEAS SHARE INFORMATION

Investment $ Premium 22½% (22⅛%)

NEW YORK

RAILROADS

INDUSTRIALS, ETC

PUBLIC UTILITIES

FRUSTS, BANKS & BONDS

TORONTO

MONTREAL

GERMANY

PARIS

MILAN

AUSTRALIA

BRUSSELS

TOKYO

AMSTERDAM

SWITZERLAND

JOHANNESBURG

MINES

INDUSTRIALS

STOCKHOLM

OSLO

COPENHAGEN

VIENNA

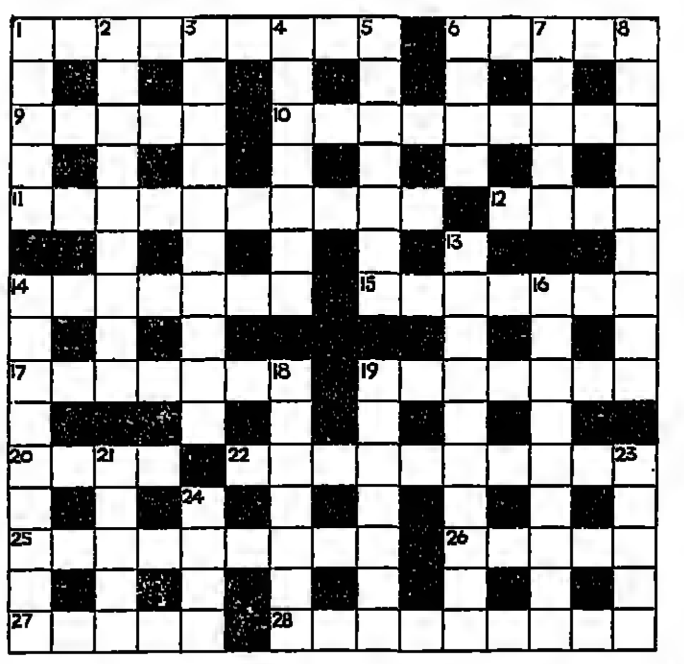
NOTES: Belgian dividends are shown after withholding tax.
Φ F 500 denom. unless otherwise stated. ¶ Yen 50 denom. unless otherwise stated. a Florins. b Schillings. c Cents. d Dividend after pending rights and/or scrip issue. e Per share. f Francs. g Gross div. %. h Assumed dividend after scrip and/or rights issues. k After local taxes. m % tax free. n Francs: including $2½ Unilac div. p Net. s Div. and yield exclude special payment. t Indicated div. y Merger pending. * Asked. † Bid. § Traded. ‡ Seller. u Unofficial trading. z Assumed. xr Ex-rights. q Share split.

F.T. CROSSWORD PUZZLE NO. 1,651

A prize of £3 will be given to each of the senders of the first three correct solutions opened. Solutions must be received by next Thursday, marked Crossword in the top left-hand corner of the envelope, and addressed to the Financial Times, 10, Cannon Street, London, EC4P 4BY. Winners and solution will be given next Saturday.

Name ....

Address ....



ACROSS

1 Justified being collected (6, 3)
6 Sweet stuff puts Surrey right on top (5)
9 Someone called to the bar near miss (5)
10 Deprived of railway unlike everybody else (3, 2, 4)
11 Complaint over Othello being shot in August (6, 4)
12 What must be done for a kick-off (4)
14 Scotsman quickly gets wind (7)
15 Artisan trained as a singer (7)
17 Travel by tube for experience (7)
19 Station of the cross? (7)
20 Land is cut off (4)
22 Former monk is not allowed . . . (3, 2, 5)
25 . . . to pass off about now (9)
26 Only a dope would confuse PM with IOU (5)
27 Material is dug up the wrong way (5)
28 Horrible sensation could make a pest cheer (3, 6)

DOWN

1 Caught fish with stick (5)
2 Auction sale-room sending one to sleep (4, 2, 3)
3 Get mixed up between Lords and Wimbledon in London (5, 5)
4 Servant who might walk out (7)
5 Sailor comes back with little particles of food (7)
6 In this way the Financial Times goes to tender (4)
7 Animal makes money (5)
8 Commandeer the services of a lot of reporters (5, 4)
13 People near sewage works are likely to be unpopular (2, 3, 5)
14 Grumbled at mum being subordinate to editor (9)
16 Fortunate occasion for quality broadcast (5, 4)
18 Work you allowed to be borrowed is very rich (7)
19 Her colt can utter a gleeful sound (7)
21 Bird with its head covered (5)
23 Swindles requiring the right amount of current (5)
24 Papers about in the morning (4)

SOLUTION TO PUZZLE NO. 1,650

SOLUTION AND WINNERS OF PUZZLE NO. 1,645

Following are the winners of last Saturday's prize puzzle:—

Mr. R. G. King, 21 Willow Tree Road, Altrincham, Cheshire.

Mrs. I. R. Inness, "The Oaks," 24 Gatelands Drive, Bexhill-on-Sea, Sussex.

Mrs. W. E. Wilkes, 20 Burrow Hill, Plymstock, Plymouth, Devon PL9 9LE.

RACING

A moment of truth

by DARE WIGAN

TO-DAY could well be an important one in the history of the Turf. Certainly, there will be a moment of truth when, at 1.45, or a minute or two later, *Crowned Prince*, who, at $510,000 (approximately £212,000) fetched the world record price for a yearling when sold at last year's Keeneland Sales, runs for the first time in the Park Lodge Maiden Stakes at Newmarket.

Inevitably, an animal who commanded so vast a sum at the sales, either here or in America, commands attention, and the trainer entrusted with the preparation of the colt or filly concerned is not to be envied. However, Bernard van Cutsem, who trains *Crowned Prince*, a chestnut colt by *Raise A Native*, and a full-brother to the Kentucky Derby winner, *Majestic Prince*, is wholly imperturbable. And Lester Piggott, who rides the colt this afternoon, is, to say the least, unlikely to be overawed by the occasion.

Crowned Prince has done all that has been asked of him at home, and van Cutsem considered it to be a waste of time (and money) to send him to Newbury last week-end for a preliminary gallop. I shall be surprised if *Crowned Prince* does not canter in this afternoon.

Breeder's Dream, an attractive colt by *Tudor Melody*, has yet to win this season, but his lines have been cast in high places. He was, admittedly, disappointing when finishing a moderate fifth behind *Bullyhot* at Doncaster last month, but the distance was probably too far for him, and judged on his best form he is likely to give the weight to his opponents in the Freemason Lodge Handicap (2.15).

Pentland Firth, a good type of colt by *Crepello*, won well over course and distance here at Newmarket at the end of last month, and looks a reasonable proposition in the Fitzroy House Stakes (4.15). And *Crigg*, who has travelled down from Wetherby, Yorks, will go well in the Lagrange Selling Handicap (3.15).

At Haydock, *Rock Signal*, with J. Corr claiming the 5 lb allowance in the 2.45, may be too good for *Come On Grey*, a winner of eight races here, six of them over to-day's distance. *Shining Heights*, although he is unlikely to emulate the subsequent performances of *Tulyar*, who won the corresponding event some years ago, has shown his ability to stay seven furlongs and is the probable winner of the Buggins Farm Nursery Handicap (3.45). And *Linum*, who defeated *Templecombe* by two lengths here just over a fortnight ago, is a confident selection for the Standish Stakes (4.45).

On a day when bankers are few and far between, *Prince Consort* in the Haxted Stakes (4.00) at Lingfield is an exception for he will surely be too good for *Hordbaie* and *Melody Rock* at the weights.

Earlier in the afternoon at Lingfield, *March Cavalier* may have the edge over *Ouenito* in the Chiddingstone Stakes (1.30): *Resourceful* is preferred to *Smart Sam* in the Leigh Handicap (2.30); and *Pilbara Dust* appears to be leniently treated with 7 st 10 lb in the Horley Nursery Handicap (3.30).

At Teesside, where the Wynyard Fillies Stakes has had to be divided owing to a superfluity of runners, Division 1 (2.45) is likely to be won by Pat Rohan's *Weirdi*, and Division 2 (5.45) by the same trainer's *Sunbelle*. *Renoir Picture*, an unlucky filly, will only have to reproduce a semblance of the form that she showed when runner-up to *Ndabibi* at the Epsom Derby meeting to be reasonably certain of opening her account by winning the Zetland Stakes (4.15).

NEWMARKET
1.45—Crowned Prince
2.15—Breeder's Dream
3.15—Crigg
3.45—Dernier Coup
4.15—Pentland Firth
4.45—Campari

HAYDOCK
1.45—Rochuster
2.45—Rock Signal
3.45—Shining Heights
4.45—Linum***

LINGFIELD
1.30—March Cavalier
2.30—Resourceful
3.30—Pilbara Dust
4.00—Prince Consort**

TEESSIDE
2.45—Weirdi
4.15—Renoir Picture*
5.45—Sunbelle

BIG 'WHEEL' FOR PARIS

A giant oil painting of a railway wheel, painted by Mr. Alan Denley, a former British Rail locomotive fireman turned artist, which has been on loan display at the Museum of British Transport, Clapham, London, since March, is to be presented to the Paris headquarters of the International Union of Railways (UIC) by the International Association of Transport Museums.

It is being given as a token of appreciation for the interest shown by the UIC in the activities of railway museums throughout the world. Alan Denley, a Devonshire man, was born in 1936 at Newton Abbot, where his father worked in the foundry of the local GWR works.

ECONOMIC DIARY

National Savings monthly progress report for July will be published to-morrow, and engineering industries deliveries and orders for June on Monday. The TUC general council meeting is to be held Wednesday. Housing starts and completions and house improvement grants figures for July are expected at the end of the week.

STOCK EXCHANGE REPORT

Markets in better heart at end of disturbed week

Index up 4.3 at 409.4—Medium-dated Gilts in demand

ACCOUNT DEALING DATES

*First Dealings	Declara-tions	Last Dealings	Account Day
Aug. 9	Aug. 19	Aug. 20	Sept. 1
Aug. 23	Sept. 2	Sept. 3	Sept. 14
Sept 6	Sept 16	Sept 17	Sept 28

* "New time" dealings may take place from 5 p.m. three business days earlier.

Equities staged a good rally yesterday, the last day of the Account, following a fairly confused state of affairs for the greater part of this past week on the U.S. economic measures. Yesterday's better buying interest, mainly on account of professional operators, reflected expectations of an imminent statement on official thinking about the international currency situation; hopes were also being expressed about a Bank Rate cut being part of an early move by the U.K. The Bank Rate talk inspired a good demand for Gilt-edged securities, particularly medium-dated issues which showed gains of up to ½.

The Financial Times Industrial Ordinary share index rose 4.3 to 409.4, but still left a fall of 3.2 on the week. However, the previous week's rise saw an overall advance on the Account of 13.5.

Yesterday's improvement was on a broader front as reflected in rises and falls in all F.T.-quoted Industrials which were nearly in balance; on Thursday, falls were in a three-to-two majority. Increased activity was borne out by bargains marked at 10,579 compared with 10,058 the previous day and only 9,318 on Wednesday. South African Golds were a shade easier again and the Gold Mines index recorded its fourth successive day's fall at 53.5, down 0.5, making a loss since Tuesday of 5.1, or nearly 9 per cent.

Good feeling in Gilts

Long-dated Gilt-edged, up ⅛ where changed were held in check by the "tap" stock, Treasury 8¾ per cent. "A," the official price of which was raised another ⅛ to 96. But strong hopes about an early cut in Bank Rate found reflection in some good buying of medium-dated issues which, in a thin market, often rose by 50p. There was a reasonable turnover in the shorts, a good deal of it on switching to go longer; actual price changes were few but rises of around ⅛ were seen in 1976 redemptions. Turnover in Corporations was small, but included some good buying and the tone was firm in line with the main funds; Commonwealth issues, however, were neglected and often gave a little ground. International Bank 8 per cent., 1976, attracted some substantial buying orders and gained 1¼ to 102¾ for a rise of 2¾ since dealings started at par last Monday.

Sellers again predominated in the investment dollar market and the premium gave up another ⅜ at 22¼ per cent. Japanese Euro-dollar bonds steadied after the sharp decline earlier in the week.

In Recent Issues, Berwick Timpo met profit-taking after the recent good rise and gave up 3p at 131p, still 14p up on the week, while British and Canadian Investments put on 2p more to 163p for a week's rise of 17p.

"Royals" up again

Dealers reported a disappointing day's business in Insurances and prices mainly held steady, but "Royals" made further good progress on the cheering half-time figures and closed another 11p up at a 1971 "high" of 407p for a two-day rise of 22p. Legal and General improved 4p to 332p, but Eagle Star reacted 6p to 418p. Lloyds brokers were fairly steady, apart from L. Hammond, which fell sharply to 90p in the "after-hours" dealings before ending 18p down on the day at 100p on disappointment with the lower profits.

Home Banks were rather quiet again, but prices moved steadily ahead to close with fresh advances extending to 12p, as in Barclays, 615p. National Westminster ended 10p higher at 605p. National Commercial were 3p better at 153p. Union were noteworthy in Discount Houses for a rise of 15p to 415p. Although little business took place in firm Hire Purchases, UDT advanced 9p to 211p and First National Finance 12p to 345p, both peaks for the year.

After recent weakness on fears of the effects of the U.S. import surcharge, Distillers met support and rallied 3½p to 151½p, reducing the fall on the week to 5½p. Small price gains predominated in Breweries, where Truman Hanbury and Watney Mann held steady at 459p and 123p respectively; Grand Metropolitan eased 3p to 181p.

Building issues generally made progress but changes were usually small. M. P. Harris rose 7p to 205p, while gains of 3p were seen in London Brick, 96p, and IDC, 135p. Robert M. Douglas gained 3½p to 87½p in response to the higher profits, while Marley were 11p better at 109p ahead of Monday's third-quarter figures. Daleholme were also firm at 38p, up 4p; the interim results are expected next Thursday. Benford Concrete, however, eased 2p to 67p on the lower profits, while other dull spots included Bimits, 5p lower at 80p, and Northern Developments, 6p off at 234p.

ICI improved 4p to 325p after a reasonable day's business; the second-quarter figures are due soon. Gains of 3p were seen in British Benzol, 103p, and Yorkshire Chemicals, 228p.

On the bid front, A. and S. Henry put on 1p more to 72½p in sympathy with United Drapery Stores, a shade higher at 125p, making the value of the latter's bid 60p per share.

Freemans firm

Freemans (London) attracted interest, in sympathy, and closed 8p better at 156p. Grattan Warehouses, however, fell 4p to 256p and Halwins 7p to 253p, the last mentioned following Press comment. In Stores, Loyds Retailers were a prominent dull spot at 27½p, down 8½p, after the dismal half-year figures. In contrast, Cornell Dresses put on 2p to 18p, while gains of 3p were seen in A. Henriques, 37p, and Robert Kitchen Taylor, 73p. Also firm were Debenhams, 4p better at 229p.

In Shoes, Lotus hardened 1½p to 52p on the sharply higher half-yearly profits. Church, however, reacted 5p to 97p; the latter's interim results are due soon.

Business was again on a small scale in leading Electricals, although BICC closed 6p firmer at 176p. EMI put on 2p to 146p, while GEC were finally 1p better at 156p, after 157p. Elsewhere, Aerialite improved 4p to 81p in anticipation of the results, expected September 8. Oldham were lifted 1½p to a peak for the year of 32½p by favourable Press comment. Electrocomponents were 5p better at 275p and United Scientific 3p up at 61p, while Sony rallied 40p to 400p. Lec Refrigeration, however, receded another 3p to 75p.

Trading statements or results made for firmness in selected Engineerings. The sharply increased profits and proposed scrip issue helped W. G. Allen rise 5p further to 74p, while the impressive interim figures brought a 4p gain to 56p in Masson Scott Thrissell. Following the chairman's confident statement, Howden Group put on 3½p at 71p and, in response to an investment recommendation, Hattersley-Stelrad advanced 8p to 183p. Leading stocks, apart from Vickers, which rose 2½p late to 70p, were barely changed. Included among the few dull spots were Rotary Hoes, 3p down at 62p, after 58p, and BHD, a further 4p off at 190p. Babcock and Wilcox reacted to 264p before closing only 3p easier on balance at 269p. In sympathy with the general equity trend, Alfred Herbert were supported and rose 4p to 58p.

Bovril react

Following the victory of Cavenham in the bid battle with Rowntree Mackintosh, whose offer has now lapsed, Bovril dropped 21½p to 442½p, with Cavenham 2p off at 91p. Rowntree Mackintosh, however, moved up 3p to 515p. Elsewhere, British Sugar met with speculative demand and jumped 20p to 320p, while International Stores responded to the chairman's enthusiastic annual review with a gain of 4p to 73½p. Peek Winch and Tod improved 7p to 115p in response to the sharply higher half-yearly profits, while Sena Sugar, 61p, and Highgate and Job, 98p, improved 2p and 5p respectively. Oriel Foods, however, shed 2p to 15p following Press comment.

Reflecting the apparent end of the Boardroom dispute, Trust Houses Forte rose 4p to 126p.

Glaxo were a good market at 391p, up 5p, while Boots improved 2p to 205p. Beecham, however, reacted 4p to 322p. Reeves and Sons were an erratic market on speculative interest and, after opening higher at 210p, fell back to 185p before ending 5p down on the day at 195p. Associated Leisure fell 3p to 11p in response to adverse Press comment, while Robert Stigwood, 5p down at 65p, were a late dull spot on the results. Rank Organisation "A" were quieter, but gave a little more ground to 835p, down 9p. Denbyware lost 7p to 115p. Lloes Brothers, after Thursday's loss of 22p on the plans for liquidation, shed 1p to 4p. Firm spots were seen in Austin-Hall, 15p up at 150p, Leeds Assets, 6p higher at 127p, and Gardiner Sons, 8p to the good at 82p.

Reports that the RB-211 would not escape the surcharge impost had little further effect on Rolls-Royce suppliers. Only Daniel Doncaster gave ground, down 4p more at 41p. Joseph Lucas regaining 3p at 253p and Rolls-Royce Loan recovering 1 point at £35, after £30. Elsewhere in Components, Brown Bros. and Albany rose 7p to 163p in front of Tuesday's interim results. Mixed Garage features included Martin Walker, 4p lower at 72p, reflecting the Vauxhall redundancies, and F. G. Yates, up 4p at 73p.

Much of the interest in quieter Properties centred on Capital and Counties which, ahead of Thursday's preliminary results, rose 5p to 99p. A smaller speculative demand raised Bradford 3p more to 150p, while Land Investors revived with a 4p gain to 124p. Trafalgar House, 2p up at 120p, were firm among leading issues.

Reed International and Bowater both moved 5p higher to 222p and 181p respectively in an otherwise featureless Papers section in publishers. Morgan-Grampian continued their upward movement with a rise of 3p at a 1971 peak of 122p.

BP improve late

Leading Oils took on a steadier appearance in the late trading when, following firmness in British Petroleum on Wall Street, the price here improved to 587p, a gain on the day of 7p. Burmah and Shell both rose 2p, to 428p and 390p respectively, while fresh local buying lifted Trinidad Canadian 6p to 150p. London demand was also responsible for a rise of 6p to 54p in Anglo-Ecuadorian. Once again, Australians lost ground with Associated Australian a further 3p off at 55p.

There was no decided trend in Trusts. Ashbourne Investments improved afresh by 3p to a 1971 "high" of 41p, while Gresham Investment appreciated 4½p to 98p and Tokengate Investment were similarly higher at 155p. Constellation Investments, 19½p, and "A," 36½p, closed ½p and 1½p better respectively in response to the agreed bid terms from Hemdole Group, which were 1p harder at 64p. First Investors American Trust, however, receded 20p to 330p.

Drakes below best

Drakes again featured a quiet Financials section on consideration of the Norvic Shoe take-over; the shares touched 222p and 209p before closing at 217p, up 9p on the day. Norvic Shoe rose 4p to 70p. Adeplan provided another bright spot with a gain of 7p at 111p. Shippings remained quiet and occasionally closed a shade lower, but Court Line advanced afresh on speculative buying, closing 6p higher at 133p to make a three-day rise of 16p.

Courtaulds met some good investment buying and rose 5p more to 131p. Nova Jersey gained 5p to 228p, while R.K.T. Textiles improved 3p to 53p. Other price changes in Textiles rarely exceeded 1p.

Dunhill slipped 3p more to 117p in little-changed Tobaccos.

There were a few firm spots in quiet Teas, but Longbourne, in Pakistan issues, lost 3p to a 1971 "low" of 160p. The higher dividend and profits left Williamson 3p better at 74p, while Pelmadulla, also on annual results, gained 4p to 124p. Amalgamated rose 3p to 86p. Rubbers were fractionally easier in places.

Further falls in Mines

Mining shares ended a dispiriting week on a lack-lustre note. Gold shares looked a little better at first, reflecting the overnight improvement on the other side of the Atlantic but subsequently drifted away on lack of demand while sentiment was not helped by a sharp fall of 38p to 170p in Buffels following the substantial cut forecast in the dividend. Western Holdings dropped 20p to 845p and WRIT 20p to 770p.

Finance issues were particularly depressed, Charter losing 18p to 222p and Gold Fields 10p to a 1971 low of 212p. Platinums failed to benefit from a slightly better tendency at the Cape following an optimistic Press report there about 1972 prospects for the metal.

Australians remained under the shadow of the weak market in Sydney. Shares with iron ore interests were again particularly depressed with Hamersley 15p off at 125p and Conzinc Riotinto 10p lower at 340p. Of nickels, Poseidon dipped below £10 again, closing with a loss of 50p at 950p. Hampton Areas receded 10p to 98p. GMK gave up a further 2p at 19p following the company's tax disappointment and Western Mining weakened 5p to 135p on the labour strike news. Elsewhere, Tara were marked back 11p to 712p, but Geevor held at 228p despite the halved dividend.

FINANCIAL TIMES STOCK INDICES

—	August 20	August 19	August 18	August 17	August 16	August 13	A Year ago
Government Secs.	75.67	75.47	76.40	75.59	75.18	75.13	70.60
Fixed Interest	74.72	74.66	74.61	74.58	74.56	74.31	72.36
Industrial Ordinary*	409.4	406.1	402.7	404.2	409.3	412.6	339.0
Gold Mines	53.5	54.0	54.2	56.3	52.6	58.1	49.4
Ord. Div. Yield pc	3.75	3.79	3.80	3.78	3.73	3.71	4.91
Earnings Yield pc (ful)	5.26	5.89	5.95	5.90	5.93	5.80	6.75
P.E. Ratio (net)	17.08	16.98	16.88	16.95	17.14	17.26	14.21
Dealings Marked	10,572	10,059	9,318	11,916	12,462	11,535	7,704

* 10.30 a.m. 406.7. Noon 409.1. 2.45 p.m. 409.3.

(a) Based on 40% corp. tax from March 30, 1971. Latest Index [illegible]

HIGHS AND LOWS

—	1971 High	1971 Low	Since Compilation High	Since Compilation Low
Govt. Secs.	75.74 (16/7/71)	68.85 (4/1/71)	127.4 (9/1/35)	64.21 (11/6/69)
Fixed Int.	74.77 (16/7/71)	69.65 (4/1/71)	150.0 (28/11/47)	67.12 (11/6/69)
Ind. Ord.	415.3 (27/7/71)	305.5 (15/3/71)	521.9 (19/9/68)	49.4 (26/6/40)
Gold Mines	91.5 [illegible]	52.5 [illegible]	100.0 [illegible]	44.0 [illegible]

S.E. ACTIVITY

—	August 20	August 19
Daily—		
Gilt-Edged	179.9	166.4
Industrials	377.5	354.9
Speculative	168.1	158.1
Totals	240.2	228.9
5-day av.—		
Gilt-Edged	168.8	163.4
Industrials	386.4	324.0
Speculative	174.0	174.7
Totals	247.4	252.0

Basis 100 Govt. Secs. 15/10/26. Fixed Int. 1928. Ind. Ord. 1/7/35. Gold Mines 12/9/55. S.E. Activity July-Dec. 1942.

OFFSHORE AND OVERSEAS FUNDS (p★★★)

AUTHORISED UNIT TRUSTS (p★★★)

INSURANCE, PROPERTY, BONDS

Reactions to U.S. economic measures

Schweitzer urges joint action soon

By John Graham, U.S. Editor

M. PIERRE-PAUL SCHWEITZER, Managing-Director of the International Monetary Fund, declared that the present monetary situation gave "great cause for concern," and urged prompt and collective action in order to prevent "disorder and discrimination in currency and trade relationships."

This is the strongest statement made publicly for years by M. Schweitzer. He spent this morning on the telephone to Europe, and at a meeting of the Fund directors, called to consider the American position, he left little doubt that he regards the lack of concerted action as grave.

Disharmony evident

In a cable sent by him to all governors of the Fund, he argued against "piecemeal approaches to change," which, though he mentioned no particular approach or country, may be taken as referring to the disharmony evident among the countries of the European Community. M. Schweitzer is pressing for concerted action to determine "appropriate exchange rates and other measures."

From this cable, and from conversations with Fund officials, an IMF position is now emerging, whose main elements are as follows:—

1—Independent action by various countries is potentially disastrous. While it is important to get the financial markets open, the prospect of four or five different systems being in operation in Europe on Monday is serious. The implications of M. Schweitzer's cable are that such disorder might "seriously disrupt trade," and undermine the system which has worked for the past 25 years.

2—The Fund recognises that there must be exchange rate changes, and that "other measures" are also needed. Among these, the Fund now definitely favours a widening of the bands around parity. "Crawling pegs" are out, but bands of 2 or 3 per cent. might well be helpful.

3—The Fund wants a return to dollar convertibility, and believes that this can be arranged without either going back to the old system, or inventing some new reserve asset. A combined use of gold, Special Drawing Rights, and foreign exchange drawings on the Fund could be the basis for the U.S. to re-establish convertibility.

4—Given the failure to reach agreement in Europe, the earlier a high-level international meeting can be arranged the better. From the Fund's point of view, a Group of Ten ministerial meeting in Washington soon, and early next week, would be desirable. I understand that there are no plans for such a meeting, or indeed for a meeting anywhere as soon as that. There does not appear to be much hope that a meeting can take place before the markets are due to reopen, though the position is obviously still fluid.

The Board of directors of the IMF met this morning to consider the American position, and a formal statement noting the dollar float and de facto devaluation was issued.

Meanwhile, the American position has become clearer as a result of a briefing given by Mr. Paul Volcker, Under Secretary at the Treasury.

The U.S., it appears, is quite prepared to re-establish dollar convertibility and to do so soon, but is most unlikely to go back to the former system of buying dollars from foreign central banks for gold at $35 per ounce. Nevertheless, the dollar float could end and convertibility be re-established before the end of the year, if other countries do their part.

De-emphasise gold

The U.S. absolutely wants to do nothing to emphasise the importance of gold. It will not alter the official $35 an ounce price, or change the par value of the dollar. Its intention is by implication to continue de-emphasising the importance of gold.

Given this, other countries must revalue their currencies against the dollar, must accept a greater share of the global defence costs, and must modify trade practices considered by the U.S. to be "unfair." To get them to take these actions, and thus assure that the American balance of payments will not be in chronic deficit, the U.S. will use the float and the 10 per cent. import surcharge as its main weapons. Either or both of these can be returned to store if the rest of the world takes satisfactory action.

Sit tight

Where the U.S. and the IMF appear to be in agreement is that the new system that will (hopefully) evolve, will contain greater flexibility, and again the favoured mechanism is a wider margin around par values. The American proposal is for a widening to 3 per cent. each side of par. The U.S. acknowledges that other countries are facing "difficult" and "painful" decisions because of America's unilateral moves, but that these decisions have to be taken, and the U.S. will sit tight and use the surcharge to "protect" itself until they are taken.

The text of Mr. Schweitzer's cable: "Recent developments which have overtaken the international monetary system give great cause for concern, but at the same time create an opportunity for strengthening the system. Unless prompt action is taken, the prospect before us is one of disorder and discrimination in currency and trade relationships, which will seriously disrupt trade and undermine the system which has served the world well and has been the basis for effective collaboration for a quarter of a century.

We must not sacrifice the efforts and achievements of the post-war period which I fear are in jeopardy. Piecemeal approaches to change are not likely to yield beneficial results even for a single or a few countries, and much less for the whole community of countries represented in the fund.

In my view it is vitally important to take prompt collective and collaborative action in the interest of the prosperity of all members. This is the assigned task of the fund, which is in the position to make a contribution of great importance to the establishment of a better monetary system. I intend to press for rapid action to reach agreement on appropriate exchange rates and other measures which will restore the system to effective and lasting operation."

Tokyo plays for time—but business fears chaos if no speedy action

BY AL CULLISON

TOKYO, August 20.

THE FAILURE of the EEC Finance Ministers to agree on a joint programme to face the present international monetary crisis and their compromise decision to reopen Europe's foreign exchange markets on Monday has considerably gratified the Japanese Government and appalled Japan's medium and small-scale companies.

Both of these highly conflicting reactions in Japan were evidently based on short-range viewpoints. Government officials to-day expressed the feeling that the Brussels breakdown provides them with much needed time just when they require it to develop their own solution to President Nixon's dollar-saving policies.

Cancelled orders

Japan's manufacturers and exporters of less than major financial standing see the situation in another way. Near chaotic conditions in exports to the wealthy American market—with day-by-day cancellations of orders for goods in the warehouses or already aboard ship — have panicked businessmen, who can scarcely wait for the dust to settle. To this sector of Japanese opinion a Yen revaluation would now be acceptable, since their priority is to get goods moving again.

Continued disruptions in the Japanese economy caused by the monetary uncertainties of the moment are expected to begin to affect the larger Japanese corporations next week. Prominent and powerful executives of Japan's former "Zaibatsu" giants have elicited from the Sato Government a promise that Cabinet Ministers involved in economic affairs will definitely meet on Tuesday to work out a short-term financial policy in line with developments in western Europe.

The Japanese Government has contended that it is following the safest course of action under the circumstances by steadfastly refusing to revalue the yen and by keeping the foreign exchange markets open. "Wait and watch" is an old and often successful Japanese formula for handling dangerous situations.

But Japan has not got much time left. A basic policy for meeting the situation will be imperative if, as expected, there are official bilateral negotiations with the U.S. late next week or early the following week. They may be expecting too much, but the Japanese would like the talks to develop into multilateral ones and probably will make this their condition for intense discussions of yen revaluation.

As the Finance Ministry experts view the situation, Japan would stand a much better chance of holding off anything but a minimum yen revaluation if they insist on multinational currency adjustments. Whether Washington realises this and is trying to avoid such a meeting was the leading question to-day in Tokyo financial circles.

In the meantime, like it or not, Washington most likely will have to wait. Japanese Government officials do not appear likely to go for floating the yen as long as they can avoid it and are still viewing revaluation as the plague. Even a transitional move of some sort seems unlikely over the next few days.

But it cannot be denied that the pressures are still building up. There are more key business leaders, for example, who are coming around to the view that a small or medium revaluation might be a lesser evil than the American surcharge.

Professionals on the Tokyo Stock Exchange sensed movement towards some type of arrangement which would resolve the world monetary crisis, according to market analysts early this morning. Evidence that their assessment was accurate was soon forthcoming: after four consecutive days of continuous heavy losses the exchange bounded back with a history-making unprecedented gain of Yen 93.72 to close at Yen 2,283.88 on the Dow Jones Price Average.

Uncontrolled panic

Blue Chips led the way throughout one of the market's most unusual day's bullish sentiments. Blazing the trail in the assault were the four major securities houses. There was a strong feeling that the possibility of a 10 per cent. yen revaluation already had been included in stock prices. However, it could have been a technical rally in counter-reaction to four days of uncontrolled panic.

Full text of EEC Ministers' communique

BRUSSELS, August 20.

THE FOLLOWING is an unofficial translation of the full text of the final communique issued at the end of the EEC Finance Ministers' meeting:

"The Council of Ministers of the European Communities to-day examined the measures taken by the American authorities to restore their balance of payments equilibrium. The Ministers consider that the suspension of dollar convertibility and the introduction of a 10 per cent. surtax on imports profoundly affect the monetary structure and international commercial exchanges.

"These measures show clearly that to ensure freedom of trade and of international payments it is necessary to reform the monetary system. The reforms would include those parity adjustments that seem necessary.

"Conscious of the need to reopen member countries' foreign exchange markets next Monday, the Council marked its agreement on the opportuneness of adopting measures to maintain the smooth operation of these markets while awaiting a reform of the world monetary system.

"A close contact was established with the authorities of the United Kingdom.

"The Council is agreed that the rates for the U.S. dollar will be left free find their own level on a single foreign exchange market in certain member countries, while the rates will be set in others on a double market.

"Finally, the Council decided to ask the EEC central bank governors' committee and the monetary committe to follow developments on the Foreign Exchange markets in order to submit as soon as possible proposals concerning the intervention instruments and techniques that would contribute towards a progressive narrowing of the fluctuation margins between EEC currencies themselves. This step is indispensable for the improvement in the functioning of the EEC common farm policy and indispensable for activating the process of creating an economic and monetary union.

"The Council will meet again on September 13."

Reuter

Swiss market will be closed Monday

BY DAVID EGLI

GENEVA, August 20.

THE SWISS National Bank will not resume transactions on the money market on Monday morning. Officials to-day confirmed the decision to withhold a re-entry into the market until the situation is clearer. Although other countries including Britain, Germany and Austria, are planning to resume operations immediately after the week-end.

The Swiss authorities intend to keep a close watch on the performance of the money markets in these countries and may consider a resumption of activities on Monday afternoon. The decision depends on the stability of the markets themselves and the degree of confidence that the Swiss have at that time in their ability to resume trading at the previous official parity and within the customary intervention points without a renewed influx of dollars.

There is a degree of guard confidence that this may possibly inspired by what is co sidered to be the encouragi performance of the unoffici market in Zurich where t dollar has shown some strengt It is thus hoped to avoid t establishment of a two-ti system with exchange contro which is now considered as last resort only.

Although it would have be legally possible at short noti to widen the spread arou parity by changing the inte vention points, this possibili has now been rejected failu similar joint action from t Common Market countries.

Consultations with the ban are continuing but it has bee agreed that the National Ba can afford to stay out of tl market for a little longer sin August 15, in any case, a sla period for commercial tran actions.

Canada to continue talks with U.S. on concessions

BY OUR OWN CORRESPONDENT

OTTAWA, August 20.

PRIME MINISTER Trudeau summoned his Cabinet into special session to-day to assess this country's chances of gaining concessions from the United States on President Nixon's imports surcharge programme. He told reporters he still thought the chances were good despite the rejection of the Canadian arguments by U.S. Secretary of the Treasury, John Connally, in Washington yesterday.

A special delegation led by Canadian Finance Minister Edgar Benson and Trade and Commerce Minister Jean Luc Pepin, came away empty handed although Mr. Benson said he had succeeded in putting the Canadian case. He told reporters on his return to Ottawa he could not describe the visit to Washington as "successful" because if it had been successful he would now have the exemption from the U.S. However, the delegation had been successful in getting its case across to Connally. In Ottawa, American authorities pointed out that if the U.S. made special concessions to Canada, other countries would immediately come to the conclusion that the U.S. was not really serious in its determined bid to end the balance of payments problems.

Officials from both countries will start at once to hold talks regarding Canada's case f special concessions. Mr. Bens will keep in touch with M Connally because a reply wanted in a "very short time. Mr. Benson said in Ottawa M Connally had indicated he w ready to meet again with th Canadian Government's represe tatives in the near future.

Prime Minister Trudeau to reporters "I don't think the will say no." However, he adde "but if they do say no we wo have any choice but to accept We are not going to declare w on them." He rejected a su gestion that Canada would sta retaliatory moves at once

Tourist dollar rate steady

By John Hunt

THE AMERICAN Express offic in London reported yesterda that the demand from America tourists changing travellen cheques had fallen off and th level of business was normal fo a Friday.

The conversion rate at Ameri can Express was unchanged from the previous day—$2.52 fo travellers' cheques and $2.60 fo notes.

Japan's envoy sounds out U.S.

BY GUY DE JONQUIERES

WASHINGTON, August 20.

WHILE firmly maintaining that it is not yet ready to enter into any substantive negotiations, the Japanese Government has begun sounding out the United States on its policies towards trade and the future of the international monetary system in the light of President Nixon's dramatic economic package.

The soundings are being made by Mr. Kashiwagi, the special assistant to the Japanese Finance Minister, who flew here yesterday. Japanese officials emphasise that Mr. Kashiwagi's mission is to bear the U.S. explanations for its recent moves and that, since he is not a member of the Cabinet, he cannot speak officially for the Japanese Government or give any commitments on its behalf.

To-day, Mr. Kashiwagi saw a number of American officials most closely involved in the recent decisions. These included Mr. Paul Volcker, Treasury Under-Secretary for International Monetary Affairs, Mr. Nathaniel Samuels, Assistant Secretary of State for Economic Affairs, Dr. Paul McCracken, chairman of the Council of Economic Advisors and Mr. Peter Peterson, head of the White House Foreign Economic Policy Council.

He is also expected to see Mr. Pierre-Paul Schweitzer, managing director of the IMF and Dr. Arthur Burns, chairman of the Federal Reserve Board. The Secretary of the Treasury, Mr. John Connally, has said that he will not be able to meet him, however.

Precisely what Mr. Kashiwagi was told is not known. But it appears that the U.S. Administration is standing by its recent policy of standing pat and waiting for other governments, notably the Japanese, to take the next steps. As far as Japan is concerned, the U.S. has made clear that this means a revaluation of the yen.

Mr. Kashiwagi's visit could serve as a preparatory to the next regular annual meeting of the U.S. and Japanese Cabinets, which is due to be held in Washington next week.

Mr. John Connally, the Secretary of the Treasury, has made it clear that he believes that bilateral talks between the U.S., Japan and other major trading partners, should precede any discussion of trade and monetary matters in a broader multinational forum, such as the Group of Ten.

W. Germany still puts its faith in collective float

BY MALCOLM RUTHERFORD

BONN, August 20.

WEST GERMANY has no intention of abandoning its advocacy of a collective Common Market float against outside currencies, in spite of the failure of the Brussels meeting of Finance Ministers early this morning. On the contrary, it believes that this policy is steadily winning support and hopes that it will be accepted even by France at the next meeting of ministers on September 13.

The German belief was strengthened by to-day's decision to float the Belgian franc when the foreign exchange markets re-open on Monday. It is clear that the Germans also expect some early move towards greater exchange rate flexibility (probably in the form of wider margins of fluctuation) from the Italians.

Dr. Johann Baptist Schoellborn, State Secretary at the Economics Ministry, who attended the Brussels meeting, said that the experiences of the past few months had shown the German position on floating to be justified. The only Common Market member who now opposed it was France, but he added that the behaviour of the markets in the next few weeks could well bring about a change in the French view.

It is quite clear from Dr. Schoellborn's remarks that the Germans are hoping that the French experiment with a multi-tier exchange rate will quickly fail, and that the French would then have no alternative to accepting floating. But Dr. Schoellhorn spoke without rancour and refused to lay the "responsibility" or "blame" for the Brussels failure on France's shoulders.

Prof. Schiller the Economics Minister conferred with Chancellor Brandt and other Ministers over the Brussels outcome this afternoon. Before the meeting in September, the Government agreed to engage in a series of extensive bilateral consultations with its Common Market partners, especially France, but Dr. Schoellhorn gave no dates.

Dangerously high

The re-opening of the German markets is meanwhile awaited with considerable interest and contradictory forecasts. The Economics Minister believes that the dollar will show some recovery from the official fixing of DM3.3830 which was set last Friday before the Nixon measures were announced. This was the lowest so far and represented a de facto DM revaluation against the dollar of nearly 8.2 per cent. Both the Bundesbank and the Economics Ministry regard this as dangerously high, and Dr. Schoellhorn said to-day it was "an over-reaction."

In intra-bank dealings in the course of this week, the dollar has steadily firmed and closed to-day at around DM3.42/3.43, but the dealings were extremely limited and represented only genuine commercial transactions.

Most dealers expect the Monday fixing to be above DM3.40, and admit that there will be a suppressed demand for dollars which should temporarily keep the rate up, though a number of them doubt whether this influence will last more than a day or two. It is generally believed that the Bundesbank will be obliged to remain out of the market and will be unable to dispose of any of its surplus dolar holdings. There are, however, mounting rumours of early cuts in the German discount rate though these are not expected next week.

Hope for concerted Benelux action

BY ROBERT MAUTHNER, EUROPEAN CORRESPONDENT

BRUSSELS, August 20.

THE BELGIAN Government is doing everything in its power to achieve a common front with the other Benelux countries, the Netherlands and Luxembourg following the failure to-day by the Six to agree on a common position to the international monetary crisis.

The aim, as M. Gaston Eyskens, the Belgian Prime Minister, explained to-day, after a special Cabinet meeting, is for the three countries to adopt the Benelux plan presented to the Six, in spite of the fact that no general agreement could be reached on it.

The hope in Brussels is that agreement will be reached between the three capitals on a return to fixed exchange rates between them on the basis of the parities existing on May 9 that is to say, before the decision to float the D-Mark and the guilder. In such an event, the three currencies would be able to float jointly against the dollar albeit within certain margins.

Mr. Eyskens pointed out that such an agreement would prevent difficulties in agricultural trade between Belgium and the Netherlands. The failure of the negotiations between the Six was a threat to the Community's agricultural policy because of the relative isolation of the floating countries—West Germany and the Netherlands. If no modus vivendi was achieved, the Community's agricultural market could be completely disrupted, he said.

Meanwhile, however, Belgium will retain its two-tier foreign exchange market and the National Bank will continue to support the dollar for commercial transactions on the basis of the old fixed parity. This was made clear by Baron Snoy d'Oppuers, the Belgian Finance Minister, after the Cabinet

But he also indicated that, in the event of a too great influx of dollars, the intervention floor of even the regulated market would be allowed to drop.

Dutch Cabinet to-day

BY OUR OWN CORRESPONDENT

THE HAGUE, August 20.

THE DUTCH Cabinet meets on Saturday morning—a very exceptional time—to decide how Holland will tackle the international monetary situation after the failure of the Six to agree on a common line of action.

A senior Treasury official described the situation to-day as giving cause for anxiety. It should not, however, be over-dramatised as far as Holland was concerned, since the guilder was floating already. But if large shifts in the relative value of currencies were to occur, the position could become very serious.

Finance Minister Mr. Roelof Nelissen declined to comment on the possibility that the Bank would intervene in the near future. Observers interpreted the Minister's reaction as a clear indication that the Bank, which is ultimately subject to Government instructions, reserves its freedom to do so if the developments in the market should require intervention.

The 5 per cent. appreciation of the guilder in the currency markets just before the outbreak of the crisis has been officially described here as "extreme". But Mr. Nelissen said he did not know whether the guilder and the mark would soon return to the levels of appreciation of about 2 and 5 per cent. respectively which obtained in the period after early May.

The guilder itself would continue to float "from Monday."

France sticks to two-tier plan

BY ADRIAN DICKS

PARIS, August 20.

AMID ANGRY and sceptical reactions from the Paris financial community, the French Government is putting the finishing touches to its scheme for a two-tier exchange market, to come into force on Monday. Confirming this to-day, the Finance Minister, M. Valéry Giscard d'Estaing, said the meeting of Community finance ministers in Brussels yesterday had not been a failure, but each country had had to act in the light of its own economic situation. France had decided to maintain its existing parity in order to resist domestic inflation and to protect exports.

There will be an "official market" handling commercial transactions, and probably also insurance, transport and other matters directly related to trade, on the basis of the old official parity of Frs.5.554 to the dollar. The Banque de France's intervention rate—formerly at 5.513—has yet, however, to be announced.

Parallel to this there will be a "financial market," in which the Banque de France will not intervene, and in which exchange rates will therefore be free to fluctuate according to supply and demand. This free market will handle long and short term capital movements and rates of exchange for tourists.

Exact details of how the new structure will work are to be published in the official journal over the weekend. But it already seemed clear to-day that the French authorities will have to set up a sizeable bureaucratic machine to sort out commercial from non-commercial transactions.

The banks, on whom the main burden of policing the two-tier market is likely to fall, protested vigorously earlier this month when, in its efforts to halt speculative flows of funds into France, the Central Bank attempted to draw the same distinction between commercial and non-commercial transactions and left it to the banks to vet foreign orders for francs.

Watertight

First reactions from bankers to the two-tier market have hardly been more enthusiastic. One senior banker told the Financial Times "It's going to be a mess. I wouldn't care to predict what the market's going to do on Monday." Other bankers and financial observers expressed strong doubts whether the authorities will in practice be able to keep the two markets watertight. Indeed, there will now in fact be three markets if one counts the existing investment dollar market which exists for those French investors wanting to buy American stocks.

As yet, no-one is prepared to hazard a guess as to what will happen to the dollar in the free market here on Monday. Some operators expect a rush of dollars while others believe the reaction will be more cautious. Those inclining to the latter view pointed out that in inter-bank dealings to-day the dollar rate was as high as Frs.5.4—corresponding to a revaluation of the franc of only around 2 per cent.

It was being assumed, meanwhile, that the Banque de France was keeping in contact with other central banks over the "hot line" which links the governors of the leading European countries in order to work out some concerted intervention policy for next Monday's reopening of markets.

Not until Governments and central banks have had some opportunity to see how markets react to this week's events is there likely to be any response to the Americans' call for a meeting of the Deputies of the Group of Ten.

There will, however, be an opportunity for international discussion of the current crisis in the middle of next week, when most European central banks will be represented at a meeting due to take place in Paris of the Board of the European Monetary Agreement, under the chairmanship of M. Alexandre Hay, Deputy Governor of the Swiss National Bank.

In his remarks this morning M. Giscard d'Estaing played down the significance of the Brussels meeting and said it would have been unrealistic to have expected rapid decisions from it.

He added that the British position put forward by Mr. Barber, the Chancellor of the Exchequer, had been "parallel to ours." Mr. Barber had given an assurance that the Bank of England would control fluctuations in sterling as far as possible.

Italy likely to keep to old parity

BY PETER TUMIATI

ROME, August 20.

WHEN THE currency markets reopen on Monday the Italian lira is expected to be maintained at the old official parity (lire 625 to the dollar) with fluctuation margins widened to about 4 per cent. For the moment Italy is not expected to adopt officially the two-tier system.

"Officially" is the key word as from a practical point of view Italy has really always had a two-tier system even though it was not given this name. Its name was the "parallel" market which has been tolerated though not officially recognised. The unauthorised movement of funds in and out of Italy has always been handled by the "parallel" market on which the dollar rate has usually been higher—from 3 per cent. to as much as 8 per cent. during the 1970s flight of capital from Italy—than the official rate.

It is expected that the lira will continue to be convertible into the other Common Market currencies. This means that it will be a possible channel for converting dollars into D-Marks.

Although Italy is still semi-paralysed by the August midsummer holiday and by the heat-wave, in Rome at least, and reactions to the Brussels fiasco are therefore slow to take shape, a feeling of bitter disappointment is spreading.

SPORT : CRICKET

A way to reduce drawn matches

BY TREVOR BAILEY

HEAVY RAIN yesterday prevented any play taking place on the second day of the final match of the series against India at the Oval. In the six tests played this summer bad weather has seriously interrupted no fewer than five and it is significant that the only definite result occurred at Leeds when the sun smiled or smirked throughout.

England with 355 runs in the bank could, and with no further interruptions should, still beat India in the three remaining days, but the number of rain-responsible test draws in 1971 does emphasise the desirability in this country with its unpredictable weather of having the rest day at the end of each test match which could then be used, if required, to make up for the hours lost through rain.

Certainly we would still have some draws, but these would be greatly reduced. If this particular rule had been in force this year, four of the five unfinished tests, instead of one, would almost definitely have produced a result.

Can India hold out and thus draw the series? Much patently depends upon the highly talented Gavaskar, who is clearly destined for greatness. One wishes there was an English batsman of comparable age and ability around at this time.

The powerful England seam attack should unsettle the Indians even on this slow wicket, while in support there is the ever threatening figure of Underwood, the most lethal exploiter of the worn or helpful track in the business. Despite the six lost hours, England still remain favourites to win, always providing their close fielders hold on to everything that is offered.

The heavy rain will probably have one positive advantage in that it is likely to slow down the fast outfield. It would be fair to say that the 355 which England to their credit acquired yesterday would have amounted to around 310 at Old Trafford, where the lush grass made boundaries difficult to acquire.

From the financial angle it is essential that the next three days are both sunny and interesting, as so far the Oval test has failed to cover the guarantee to the Indians, let alone produce the profit so needed by the counties. I would estimate that the rain which fell to-day must have cost English cricket something in the region of £5,000, a sum it can ill afford. Every club treasurer will be praying for good crowds and fine weather for to-day and Monday and Tuesday.

Textile men angry as another mill closes

BY OUR OWN CORRESPONDENT

MANCHESTER, August 20.

[A]NOTHER LANCASHIRE mill [cl]osure—the third in eight days —was announced to-day, spark[in]g off bitter attacks from man[a]gement and unions on what they [cl]aimed was Government indiffer[en]ce to the problems of the textile industry.

The attack was spearheaded by [th]e Board of the Ash Spinning [C]ompany, Shaw, who announced [th]e closure "in the near future" [of] Ram Mill, Chadderton, which [em]ploys 500 spinning workers.

The closure threat means that [wi]thin a week 1,000 Lancashire [wo]rkers are now facing redun[da]ncy. A week ago, it was an[no]unced that Lostock Mill, [Bo]lton, is to be phased out of [pr]oduction, affecting 250 workers, [an]d yesterday directors of Bel[gra]ve Mills, Oldham, said they [we]re considering going into [vol]untary liquidation because the [co]mpany could not anticipate [a]ny return to normal profitable [tra]ding."

[I]n a statement to-day, the Board [of] Ash said successive Govern[me]nts had shown an "apparent [in]difference" to the rundown of [the] traditional textile industry. [T]he conclusion must therefore [be] drawn that the permanent civil [ser]vants advising Ministers regard [the] industry as an expendable [ite]m in the international trading [ga]me. In the circumstances the [dir]ectors report further invest[me]nt would be foolhardy."

Describing present trading conditions as "very depressed," the directors reported that every effort had been made to achieve maximum productivity by three-shift working and full use of management techniques. "Nevertheless, it is plain that considerable capital expenditure would be required to achieve maximum competitiveness, and there is lack of confidence that such further investment would produce an economic return."

Union reaction

The news of the closure brought immediate union reaction. Mr. Joe King, general secretary of the Manchester-based National Union of Textile and Allied Workers, said it was difficult to understand why they had to go on facing "adversities of this kind" after having what seemed to be more than their share of contributing to "change."

"All that could have been done by the textile unions would appear to have been done," he said. "Still, our members have to face further mill closure and short-time working even in the best equipped and most efficient mills. Too often and for too long the justifiable claims by the industry have been ignored. Now we are faced with this situation."

[C]ompany prior year items —new rules expected

[B]Y MICHAEL BLANDEN

[NE]W rules on the controversial [subj]ect of the treatment of excep[tion]al and prior year items in [com]pany accounts are expected [next] week from the Institute of [Cha]rtered Accountants in England [and] Wales.

[Th]e Institute's accounting [stan]dards steering committee is [expe]cted to release the latest of [its s]eries of exposure drafts—the [...]—on new accounting [stan]dards.

[Th]e draft, setting out the com[mitt]ee's proposals for comment [and] discussion before their adop[tion] as standards is expected to [cau]se a considerable debate.

[Th]e subject under consideration [is on]e of the areas of accounting [pract]ice where there is a wide [rang]e of opinions on the proper [treat]ment in company accounts.

[Ide]ntified

[Acc]ording to this week's [Acco]untancy Age, the proposals [will] follow fairly closely the U.S. [pract]ice laid down recently. This [is lik]ely to imply that a clear [distin]ction would be drawn be[tween] extraordinary items relat[ing t]o the current year's opera[tions] and adjustments to previous [years'] accounts.

[It i]s suggested in the newspaper [that] all current extraordinary [items] of significant size would [have] to be clearly identified, and [would] have to be shown in the [profit]-and-loss account rather than [charge]d directly against reserves.

[The] Institute's Survey of Pub[lished] Accounts for last year showed "considerable variation" in the treatment given to exceptional, non-recurring and prior-year items. "They may be shown in almost any part of the profit and loss account; they may appear only in the movements on reserves."

Of the 300 companies surveyed, 140 appeared to show a clear policy; of these, 45 favoured allowing these items in profit and loss account—a rather higher proportion than in the previous year—and 95 as movements on reserves.

Union issue: Judgment on Monday

JUDGMENT will be given in the High Court on Monday on a claim by Mr. John William Hill that he is threatened with dismissal from his job because he will not join a union.

Mr. Hill (63) yesterday asked Vacation Court Judge Mr. Justice Brightman to order his employers, C. A. Parsons and Co., not to end his employment because of his refusal, which, he says, is on conscientious grounds.

His case is that for years he was discouraged by the company from joining a union, but that after Parsons reached an agreement with the Draughtsmen's and Allied Technicians' Association (DATA) he, and a number of colleagues, were given a month in which to join the union or face dismissal.

The company's case is that Mr. Hill's contract of employment has been changed so as to require membership of the union. It says that if he is entitled to any legal relief it can only be damages, and not the order he seeks.

NEW COMPANY FOR MAGNETIC RUBBER SALES

James Neill (Magnets and Steel), a member of the Sheffield-based James Neill Holdings group, will market a range of packaged magnetic rubber and magnetic plastics products through a newly-acquired subsidiary—Magnetic Rubber.

Magnetic Rubber, a previously non-trading subsidiary in the group, has now been transferred to James Neill (Magnets and Steel). It will operate as the selling company for a selected range of pre-packed magnetic rubber products, which are being increasingly used for visual aids, while James Neill (Magnets and Steel) will continue to manufacture and sell industrial magnetic rubber in bulk.

Tennis—a seven-point plan

John Barrett offers a possible solution to the sport's pressing problems

Tennis faces a new dark age unless Lamar Hunt (second left) and his World Championship Tennis can patch up its differences with the ILTF. Extreme right: ILTF president Allan Heyman. Second right: Rod Laver, WCT's top money winner.

THE LAST and richest of the season's major tennis championships, the $160,000 U.S. Open, begins in a week's time at Forest Hills in New York, and it seems likely that several of the leading professionals, all members of Lamar Hunt's 32-man World Championship Tennis group, and including the holder, Ken Rosewall, will be absent—for a variety of reasons.

This highlights once more the dilemma which hangs over lawn tennis. The problems currently facing the game threaten to plunge it into a new dark age unless the world governing body, the International Lawn Tennis Federation, and WCT can reach agreement, quickly, on a formula for co-operation in 1972. The signs are that agreement is unlikely. Official attitudes are hardening against the professionals, who themselves are pressing forward with expanded plans for their own circuit for 1972-73.

Wrong reason

The sad thing is that the fragmentation of the sport, which neither party really wants, is happening for the wrong reasons. Fear, mistrust of one another's motives, and the lack of negotiators of real stature or imagination have led to the present impasse.

On the one hand the ILTF has a moral responsibility to watch over the welfare of the game at large. The interests of minority nations must be guarded alongside the development of the major championships at Wimbledon, Forest Hills and Paris. In everyone's interest, full control over all these events must be retained by the ILTF. Lamar Hunt would be the first to agree with this, despite what has recently been published to the contrary, for I am certain that WCT has no ambition to control the world game and recognises the ILTF's right to do so.

On the other hand the ILTF must recognise the right of WCT or any other professional group (though the very shortage of star players makes more than one group unlikely) to develop the professional side of the game by exploiting the star quality of the leading performers. As in football, golf and motor racing, it is the glamour of the top players that attracts the interest of the public.

The administrators of these sports have been far sighted enough to devise methods of competition which include the participation of the stars. As professionalism has emerged, they have moved with the times to define clearly the status of the performers and to control their activities, either within existing competitions or in newly-established ones.

It is in this area that tennis has been badly served by its administrators. They have failed to recognise the problem posed by growing professionalism, or to harness it for the good of tennis.

The exploitation of the star image in tennis began in the 1930s with the professional circus organised by the American Bill Tilden. It continued in the 1940s when the Americans Bobby Riggs and Don Budge cashed in on their fame and it developed further in the 1950s with Jack Kramer, Pancho Gonzales, Lew Hoad, Ken Rosewall and their successors doing one night stands, and playing at small professional tournaments in the U.S. and on occasional tours elsewhere.

To the amateur officials who sat in their ivory towers, enjoying the gracious life of championship meetings, these defections to the paid ranks were at first, mere annoyances. It was only when WCT appeared in 1967 and swallowed eight more players at one sitting—the "Handsome Eight"—that the ILTF finally listened to the British who, encouraged by an earlier decision of the All-England Club, had boldly announced that they would inaugurate "open" tennis in any case—with or without international approval.

Goodwill

Even then it was not too late. There was abundant goodwill everywhere, but still no flair or imagination from the rulers. Instead of recognising the enormous potential for growth, both in new areas of the world and with new types of competition, the professionals were still kept at arms' length. The Davis Cup remained steadfastly closed to them and a world-wide Grand Prix competition was devised with the principal object of killing off the promoters—hardly a formula for successful co-operation.

Despite the gloomy outlook I believe co-operation to be both possible and necessary for the well-being of the game at large. It might already be too late to introduce the necessary arrangements for 1972, but for 1973 I offer the following comments and suggestions.

First, one must recognise that the star players are unable to give of their best for more than 20 weeks in the year. Then one must recognise a hard fact of economic life, namely that if there is money to be made from professional tennis, someone will surely make it, so that even if WCT were to disappear to-morrow another organisation would replace it in some form or other.

Consequently, any workable solution must allow WCT (or its successor) the scope to organise profitable events of its own. Actually these would benefit the game in general by opening up new parts of the world and by glamourising the images of the leading players by enabling them to earn huge sums—like Laver's $200,000-plus already this year.

The interest which tennis has generated throughout the world since 1968 has proved beyond doubt that open tennis is what is wanted. Consequently, the ILTF's Grand Prix circuit of Open tournaments should be strictly limited so that all the leading professionals can compete, fresh and keen. The present huge list of Grand Prix events defeats its own object because the professionals cannot possibly play in more than a handful and so tend to lose interest. In addition, only a few of the star names appear among the eventual leaders, so that the whole competition is devalued. With these points in mind I believe the 1973 season could be organised as follows.

The Big Three

1—A Grand Prix circuit of 10 points-linked Open tournaments to include the big three —Wimbledon, Forest Hills and Paris, which alone would be run over two weeks. The remaining seven Opens would be allocated by the ILTF to those countries which applied. They would alter each year and basically a nation would get only one Open in any year. WCT should be given the opportunity of applying for one of these seven Opens each year if it wished to promote such an event.

2—The WCT players would play in all 10 Opens on the basis of true expenses plus prize money—as Mr. Hunt asserts they offered to do at Wimbledon for 1972. Thus they would be treated like every other player and would get the world exposure at traditional meetings that they need. At all 10 Opens the WCT players would get both ILTF Grand Prix points and points for their own competition.

3—There would be a further 10 Grand Prix tournaments with reduced points open only to non-contract professionals. This would enable the ILTF to satisfy a further 10 centres.

4—WCT would thus be free to organise a further 10 events of its own to complete its World Championship of Tennis. These could be at affiliated grounds with the approval of the ILTF. With a total of only 30 leading events in a year it would be possible to avoid clashes, and the stars, with a maximum of 20 tournaments each, would be neither over-exposed nor over-played as they are at present.

5—At the conclusion of the year there would be two eight-man tournaments for the points leaders in each event—the Grand Prix Masters and the WCT Tournament of Champions.

6—WCT would be encouraged to organise other events of its own, such as the Classic series, an individual contest between its leading members and the foundation of Rod Laver's present fortunes.

7—The Davis Cup should become a biennial event with the four leading nations seeded through to the final stages in the second year and the rest of the world playing off to four survivors during the first year. The competition would be open to all players and the final stage would be played at one centre over seven days. There would be two four-nation round robin matches on the first three days. On the fourth day the runners-up match would be played, and the remaining three days would see the traditional five-match Davis Cup final.

Perhaps the biggest obstacle to the realisation of these proposals is the entrenched attitude held by so many whose decisions will determine the way tennis develops. Before the present breach becomes irreconcilable, I urge them all to re-examine their motives.

Bright summer for EMI's films

By Arthur Sandles

AFTER WHAT seemed like a nervous start for EMI's film production investments the group is currently enjoying a highly successful summer. Recently released films are breaking records both in the U.K. and the U.S.

The EMI-Hammer production *On The Buses* broke house receipt records in around 60 U.K. cinemas. *The Villain*, starring Richard Burton, took £7,100 in its first week at the comparatively small ABC 1 cinema in London's Shaftesbury Avenue. *The Go-Between* took more than $100,000 in its first three weeks in a 306-seat cinema in New York.

On The Buses cost around £100,000 to make and has already grossed more than £511,000. *Tales of Beatrix Potter* has grossed £110,000 during its run at one cinema, London's ABC 2, alone. The film remains in the U.S. top-50 (Variety lists).

I understand that money is flowing back into EMI's now profitable £5m. revolving fund and that this will be invested in further productions without call for additional group funds. The current success of the EMI programme contrasts with other projects, such as the Morgan Grenfell-backed programme (unconnected with EMI) which was pruned back because returns did not flow fast enough.

EMI now has five films in production, including *The Boy Friend* which is a joint project with MGM, and a further three on the stocks. Another three are finished and awaiting release.

DTI stops another charter flight

By Michael Donne

THE Department of Trade and Industry's "get tough" policy on charter flights, aimed at curbing, if not eliminating, breaches of the regulations, hit another flight yesterday.

Plans for a party of nearly 200 holidaymakers to fly to the U.S. under the auspices of the American-Canadian Families Association were disrupted when their aircraft, a Scandinavian Airlines' DC-8 jet, did not appear at Gatwick.

The DTI said that this was because the airline had been refused the necessary permit to fly the charter, because investigation of the relevant documentation provided by the Association showed that the charter did not comply with the affinity-group regulations. SAS, therefore, was not able to position the aircraft at Gatwick.

FALL IN FURNITURE DELIVERIES

Manufacturers' deliveries of domestic furniture in June are estimated to amount to £17.6m., the Department of Trade and Industry states.

The provisional seasonally-adjusted volume index of deliveries fell to 118 (1963=100) in June compared with 133 in May. The average for the three months ended June was 9 per cent. down on the preceding three months.

Estimated value of orders on hand at the end of June amounted to £38.7m. compared with £25m. at the end of June, 1970. The provisional seasonally-adjusted volume index rose to 218, a record high level.

Mr. Robert Keith to be unions Chief Registrar

BY ELSBETH GANGUIN

MR. ROBERT Farquharson Keith, at present an Under-Secretary in the Department of Employment, is to be the Chief Registrar of Trade Unions and Employers' Associations under the Industrial Relations Act 1971, it was announced yesterday.

Mr. Keith, 59, joined the Ministry of Labour in 1948. He served in the Ministry's employment and industrial divisions for some time.

It is expected that his new office will come into operation on October 1. There will be three assistant Registrars, one for England, one for Scotland and one for Wales.

A fundamental feature of the Industrial Relations Act is that only workers' and employers' organisations which register with the Registrar will have certain privileges and immunities under the law from actions for inducing a breach of contract. To retain registration they must satisfy the Registrar that their rules meet certain minimum standards set out in the Act.

The Chief Registrar's job will, therefore, be the maintenance of a register, ensuring that the rules of thus registered organisations conform to the standards set out in the Act, protecting the rights of trade union members, and to see that registered trade unions and employers' associations are properly administered.

The Registrar will have powers to investigate complaints concerning the conduct of registered organisations, to try to reach a settlement, and to take unresolved cases to the Industrial Court or to an industrial tribunal for adjudication.

He will also have power to apply to the Industrial Court for cancellation of the registration of a trade union or employers' association.

Once the registration section of the Act is implemented, three main registers will be created: a provisional one, a full permanent one, and a special permanent one for organisations which for certain reasons cannot go on to the main register.

On that day, all the trade unions on the old register (with the Registrar of Friendly Societies) will be transferred to the provisional register.

Unions not on the old register can apply to go direct on to the permanent register. The Registrar will transfer them from the provisional to the permanent register once he is satisfied that they are eligible.

However, in keeping with its policy of non-co-operation, the TUC has already urged the trade unions immediately to withdraw from the provisional register on having been transferred on to it.

Possible conclusions from first oil areas auction

BY ADRIAN HAMILTON

FINAL confirmation of the successful applicants to yesterday's oil exploration competitive tender for 15 blocks in the U.K. North Sea is expected to be made at the end of next week. This is because the Government maintains the right to refuse the highest bidder if it does not feel the group is capable of developing the block. Few problems are

Less certain are the conclusions which the Government is likely to draw from the exercise. The 15 blocks auctioned yesterday form less than 5 per cent. of the total 436 blocks on offer in this round.

They were chosen on an experimental basis, with the sites covering a variety of geological structures and sectors of the North Sea to test the response of the industry

While the total amount bid is thought to be well up to expectations and the amounts offered for certain blocks were higher than hoped, a number of blocks brought forward a disappointing lack of competition among applicants.

Mr. Angus Beckett, who took the chair at the auction ceremony.

For nine of the blocks there were three or fewer bids, and the total amount bid on three of them represented less than £25 per square kilometre.

Part of this may be due to the fact that the majority of blocks in the round were still being offered on the basis of the work programme submitted and not on cash.

But the wide variations in offers for what were originally announced as 15 of the "most promising blocks" will give Ministry officials some experience when considering wider auctions in future rounds.

The result may also give ammunition to critics of the auction system who argue that it tends to favour foreign groups and to cut down national participation in the North Sea.

This will be to some extent balanced out by the allocation of the remaining 421 blocks in the round, where an element of favour to British interests is maintained.

A total of 95 applications has been made for these blocks and the final announcement of the awards is expected to be made towards the end of November.

Port Talbot strikers told: return or plant will close

BY ALEX HENDRY, LABOUR REPORTER

THE WHITE-COLLAR workers on unofficial strike at Port Talbot were warned yesterday that the steel plant would have to be shut down next Thursday if they refused to return to work.

About 14,000 are employed at the plant—including the 2,000 on strike—and although no announcement was made yesterday about lay-offs these would follow quickly once production was halted.

Production at Port Talbot—a major supplier to the car industry and the British Steel Corporation's tinplate divisions—has been running at around 50,000 tons a week. Since the strike began last Monday this has been reduced by 10 per cent.

The executive of the strikers' union, the Iron and Steel Trades Confederation, met yesterday to discuss the strike. Mr. Dai Davies, general secretary, said later that no announcement on the executive's decision would be made before it was given to the strikers who are holding a mass meeting next Tuesday.

The strikers, at a mass meeting on Thursday, rejected their full-time officials' recommendation to return to work and decided to seek official backing for the strike from the executive. It is understood, however, that the executive will not make the strike official and is instructing the men to return to work.

Mr. Davies, who recently negotiated pay increases of more than 6 per cent. for hourly paid members in the industry—in advance of the current deal running out next year—said yesterday that no one should be surprised when the most responsible people took unofficial action when agreements entered into in good faith have become completely eroded by galloping inflation.

CBI's hopes for Commission on Competition remain high

BY HAROLD BOLTER, INDUSTRIAL CORRESPONDENT

THE CONFEDERATION of British Industry is still hopeful that Mr. John Davies, Secretary for Trade and Industry, can be persuaded to set up a single Commission of Competition to replace the Monopolies Commission and the Restrictive Practices Court.

Details of further monopolies and restrictive practices legislation are expected to be announced shortly, and it had seemed that Mr. Davies had expressly ruled out the possibility of merging the two existing bodies at the end of last year.

But the CBI attitude is that the Secretary of State subsequently called for representations and consultation. Therefore, it is argued, he was prepared to treat the issue with some flexibility.

The CBI has been pressing strongly for a more flexible and less legalistic procedure in the restrictive practices field and for steps to be taken to speed up the vetting of monopoly situations.

In the past, CBI members have complained about the difficulty they have experienced in ascertaining the sort of information which the Registrar of Restrictive Practices, the Court and the Monopolies Commission require.

The CBI is anxious that whatever form new arrangements in the associated fields of monopolies, mergers, and restrictive practices take the issues involved should be clearly stated in lay terms.

The Confederation is also pressing Mr. Davies to ensure that inquiries over monopolies and restrictive practices should only be undertaken when there is a real suspicion that the activities of companies might in some way have a real effect on the economy and the public interest.

There have been occasions, the CBI claims, when a great deal of time has been wasted with the investigation of arrangements which were of little real relevance.

It is expected that Mr. Davies will produce the details of new legislation within the next few weeks.

He has already said that he is considering the extension of restrictive practices legislation to cover *services*. In addition, it is possible that certain practices by single firms (rather than groups of companies) will be made registrable, and that some types of restrictive agreement will be made illegal.

The Government has decided not to refer agreements involving nine trade associations and companies to the Restrictive Practices Court.

The agreements cover members of the Tank and Industrial Plant Association; the Clothing Manufacturers' Federation of Great Britain; the Incorporated National Association of British and Irish Millers; the British Carton Association; the British Paper Box Federation; Lincolnshire and Norfolk Dairies and Private Enterprise Grocers (PEG); the National Coal Board, United Coke and Chemicals, Staveley Chemicals, and Phthalic Anhydride Chemicals; Compound Animal Feeding Stuffs Manufacturers' National Association; and the Electronic Engineering Association.

Under Section 9 of the Restrictive Trade Practices Act of 1969, the Government can discharge the Registrar from the duty of taking proceedings in the Restrictive Practices Court where it is felt that restrictions are not of such significance as to call for investigation by the court.

Similar directions have now been made in respect of 90 such agreements.

Code of Industrial Relations Practice paper under attack

BY ELSBETH GANGUIN

DISAPPOINTMENT with the "timid approach and cautious language" presented by the consultative document for the Code of Industrial Relations Practice is expressed by the Edinburgh Group—consisting of personnel managers—in a study now being circulated.

"The Code, when it is published, should be more imaginative in approach and set much higher standards for managers in industrial relations, and offer practical guidance on how to meet those standards," it is suggested.

The failure to make clear the relationship between the Code and the Industrial Relations Act is deplored. To construct a meaningful Code without reference to the new legal framework was leading to confusion, the study comments.

The Code also failed to provide practical guidance, although this was a stated objective in its foreword. References should be included to the Department of Employment, or the CIR, where those bodies could provide assistance. And consideration should be given to the possibility of including model procedures in the Code.

It was not always clear where the Code referred to legal requirements, and where it referred to good practice. In the section on employment policies, managements were asked to ensure that selection and training were not restricted by arbitrary conditions relating to age, sex, race or other factors.

"This may be read as advice about good management practice, but whereas discrimination on the basis of age is not illegal, it is certainly illegal to discriminate on the grounds of race."

It was also not made clear that disclosure of information would be a legal requirement. Terms needed to be more clearly defined—such as consultation, communication, negotiation, grievances, and so forth.

The rôle of the individual in industrial relations should be emphasised. The attention of the two sides of industry should be drawn to the fact that individual rights had to be considered before they make arrangements satisfactory to themselves.

Besides making these general points, the Edinburgh Group study contains a line-by-line comment, making detailed suggestions for change.

Burton to open boys' shops soon

THE BURTON Group is to open the first four of its chain of shops specialising in casual wear for the five-to-15-year age group in the London area before the end of the month.

The new chain is to be called "Orange Hand" and the first shops will be in Golders Green, Watford, West Ealing and Kingston.

This will be followed by three more to be opened in Manchester, Croydon and Wembley by the autumn.

The development represents the group's bid to move into the fast-growing male teenage fashion market and to rely less on Burton's traditional dark-suited made-to-measure image.

Of £70m. spent annually on boys' wear, less than 15 per cent. goes on school clothing. The group sees the chain as operating in a potential market worth at least £56m.

Favourable

The long-term growth of this section of the trade also appears favourable. In 1969 there were 4.5m. boys aged between five and 15 and the number is expected to increase to 5m. by 1975.

Mr. Ladislas Rice, group chief executive, said yesterday: "We are treating it as a carefully controlled experiment and will monitor results on a week-by-week basis."

The chain will operate as part of the group's Evans division under the direction of Mr. Cyril Spencer, divisional chief executive. Its managing director is Mr. David Thomas, 33, who joined Burton a year ago to set up the chain.

He will be assisted by a general manager, Mr. Andrew Leslie, 24, who has worked for the group for over five years in Britain and France.

Westminster Press acquires Bicester paper

THE BICESTER Advertiser Ltd. is selling the goodwill and copyright of the Bicester Advertiser and Mid-Oxon Chronicle to Oxford Mail and Times (Westminster Press), the proprietor of the Oxford Mail and The Oxford Times, under whose ownership the Advertiser will retain its separate identity and continue to flourish as the vital mouthpiece of the area.

The Bicester Advertiser Ltd. says the decision to sell has been taken in order to provide the opportunity for an expansion of coverage of Bicester area news in the Bicester Advertiser through the greater resources of a large newspaper group and to free the Bicester Advertiser Ltd. to develop its other interests mainly as producers of a wide variety of commercial print.

The date for the transfer of ownership will be announced later.

NEW INCINERATOR TO DESTROY WASTE GAS

GIBBONS BROTHERS, of Brierley Hill, Staffs, part of the Gibbons Dudley group, is to design and build a waste liquor incinerator designed to destroy 2,500 gallons an hour of gas liquor and 800,000 cubic feet per hour of waste gas produced in a plant process. The liquor contains ammonia compounds and phenols. The gas is of low calorific value and heavily laden with tar fog.

The products of combustion which are free of solids and combustibles are exhausted to atmosphere by a 170 feet high, refractory lined, self supported chimney.

POOLE SHOPPING CENTRE PROGRESS

Work has started on an extension to the "Arndale" centre shopping scheme which has been undertaken by Town and City Properties in Poole, Dorset. This final development phase will provide a supermarket—already let to Safeway Food Stores—together with six further shop units and some 3,600 square feet of office accommodation. Completion is scheduled for mid-1972.

Extra £3m. for road works in Scotland

MR. GORDON Campbell, Secretary of State for Scotland, yesterday authorised the allocation of an additional £3m. for road works as a further measure towards reducing unemployment in the construction industry in West Central Scotland.

This allocation is an extension of the £8m. programme of special works which the Secretary of State announced to the Scottish Grand Committee on July 13, 1971. This included grant-aided expenditure of £6m. by Scottish local authorities generally.

The additional £3m. allocation will apply to work carried out by local authorities in the current financial year and next. Like the original programme, it will cover expenditure on the maintenance of principal roads and on the maintenance and improvement of non-principal roads.

Treasury bill rate rises

Financial Times Reporter

THE TREASURY bill rate rose £0.1036 per cent. further at yesterday's tender to £5.5288 per cent., bringing the gain since the end of July to £0.2646 per cent.

The Discount market syndicate lowered its agreed bid by 3p to £98.54, but still received a quota of 38 per cent., against 57 per cent. the previous week, helped by the fact that the amount of bills on offer was increased by £60m. to £220m., under the influence, perhaps, of the recent inflow of foreign exchange.

Applications increased by £102.4m. to £357.3m. All bills offered were allotted, while next week £180m. bills will be on tender, against maturities of

INVESTMENT TRUST COMPANIES

The information in the columns below is supplied by the companies named, which are members of The Association of Investment Trust Companies. The figures, which are in new pence except where otherwise stated, are unaudited.

Total Assets *less current liabilities* (1) *£million*	Company (2)	Shares or Stock (3)	Date of Valuation (4)	Annual Dividend (5)	Net Asset Value *after deducting prior charges* at nominal value (6)	Net Asset Value *after deducting prior charges* at market value (7)	25% of dollar premium (8)
				New pence except where £ stated (see note d)			
	VALUATION MONTHLY						
11.9	Alliance Investment	Ordinary 25p	15/7/71	4.5	204	216	2½
121.7	Alliance Trust	Ordinary Stock 25p	30/7/71	5.625	221½	230½	4
58.9	American Trust	Ord. & "B" Ord. 25p	30/7/71	*7.75	288½	300	3
	Do. Do.	Conv. Deb. 1992/95	30/7/71	£6.25	£147.10	£153.00	£1.53
18.7	Capital & National Trust	Ord. & "B" Ord. 25p	30/7/71	*3.125	112	116	1
8.2	Claverhouse Investment Trust	Ordinary 50p	30/7/71	3.0	82	82	–
70.7	Edinburgh Investment Trust	Deferred £1	30/7/71	6.3	217½	231½	1½
34.0	First Scottish American Trust	Ordinary 25p	2/8/71	2.75	97½	101	2
122.9	Foreign & Colonial Inv. Trust	Ordinary 25p	31/7/71	2.875	155	162½	3
	Do. Do.	Conv. Loan 1988/93	31/7/71	£5.00	£124.00	£129.90	£2.30
59.6	Great Northern Investment Trust	Ordinary 25p	30/7/71	3.625	118	120½	½
51.7	Guardian Investment Trust	Ordinary 25p	30/7/71	2.0	88½	94	1
116.3	Industrial & General Trust	Ordinary 25p	30/7/71	4.25	147	152	1½
61.0	Investment Trust Corporation	Ordinary 25p	30/7/71	5.0	187½	195½	3½
59.6	Investors' Mortgage Security	Ordinary 25p	30/7/71	2.3	76½	81½	1
25.3	London & Holyrood Trust	Ordinary 25p	30/7/71	5.25	203½	213½	2½
17.9	London & Montrose Inv. Trust	Ordinary 25p	30/7/71	4.0	165½	170	2½
31.5	London & Provincial Trust	Ordinary 25p	30/7/71	4.875	190	196	3
2.5	Merton Park Investment	Ordinary 25p	30/7/71	2.0	64½	66½	–
46.1	Metropolitan Trust	Ordinary 25p	30/7/71	3.875	150	155	2½
36.0	Northern American Trust	Ordinary 25p	2/8/71	2.75	98½	103	2
57.7	Scottish American Investment	Ordinary 50p	31/7/71	3.5	128½	134	2
45.7	Scottish Northern Inv. Trust	Ordinary 25p	5/8/71	3.0	112	120	2½
57.2	Scottish United Investors	Ordinary 25p	31/7/71	2.5	97	103	2
39.8	Second Alliance Trust	Ordinary 25p	30/7/71	5.0	188	197	3½
45.3	Securities Trust of Scotland	Ordinary 25p	30/7/71	6.0	177½	195	2
24.2	Trust Union	Ordinary 25p	30/7/71	3.25	101½	106	1
50.2	United British Securities	Ordinary 25p	30/7/71	5.625	204	207½	2
	Baillie, Gifford & Co.						
93.3	Scottish Mortgage & Trust	Ordinary 25p	30/7/71	3.0	124½	127	2
71.9	Edinburgh & Dundee Investment	Ordinary 25p	30/7/71	3.3	151½	155½	2½
46.4	Monks Investment Trust	Ordinary 25p	30/7/71	4.5	168½	173	2½
12.7	Winterbottom Trust	Ordinary 25p	30/7/71	4.5	225	236½	3½
	Grahams, Rintoul & Co., Glasgow						
51.3	Scottish National Trust	Ordinary 25p	30/7/71	3.5	143	149	1½
11.7	Glasgow Stockholders Trust	Ordinary 25p	30/7/71	3.875	144	151	1½
	G.T. Management Ltd.						
12.3	Berry Trust	Ordinary 35p	31/7/71	0.875	63	63½	1
	Do. Do.	Conv. Loan 1993	31/7/71	£4.25	£91.67	£92.47	£1.17
4.7	Northern Securities Trust	Ordinary 25p	31/7/71	3.25	116½	123½	½
	Hambros Inv. Management Services						
37.9	Hambros Investment Trust	"A" & "B" Ord. 25p	30/7/71	*3.75	135	148½	1½
18.0	Bishopsgate Trust	Ordinary 25p	30/7/71	5.0	196½	207	2
7.6	Hellenic & General Trust	Ordinary Stock £1	30/7/71	17.0	702	819	8
3.6	City of Oxford Investment Trust	Ordinary 25p	30/7/71	1.875p	73½	77	–
9.4	Rosedimond Investment Trust	Capital Shares 25p	30/7/71	–	180	188	½
1.9	Michaelinos & General Inv.	"A" & "B" Ord. 20p	27/7/71	*1.3	40½	40½	–
	Ivory & Sime						
86.7	British Assets Trust	Ordinary 25p	31/7/71	1.45	76	82	1½
30.6	Second British Assets Trust	Ordinary 25p	31/7/71	5.063	236½	242½	3½
25.9	Atlantic Assets Trust	Ordinary 25p	31/7/71	0.625	77½	85½	2
	Leopold Joseph & Sons Ltd.						
1.5	Anglo-Welsh Investment Trust	Income 25p	31/7/71	3.125	40	40	–
	Do. Do.	Capital 25p	31/7/71	–	67	86½	–
2.8	Thanet Investment Trust	Ordinary 50p	7/6/71	2.375	82½	87	–
	Murray Johnstone & Co.						
33.8	Caledonian Trust	Ord. & "B" Ord. 25p	30/7/71	*1.6	78	82	1½
53.5	Clydesdale Investment	Ord. & "B" Ord. 25p	30/7/71	*1.625	77	81	1
3.8	Glenmurray Investment Trust	Ord. & "B" Ord. 25p	30/7/71	*1.5625	60	60	1
57.6	Scottish Western Investment	Ord. & "B" Ord. 25p	30/7/71	*2.1975	95½	100½	1½
18.7	Second Great Northern Inv. Trust	Ord. & "B" Ord. 25p	30/7/71	*1.9	97	90½	1½
	Schroder Wagg Group						
17.0	Ashdown Investment	Ordinary 25p	31/7/71	3.5	139½	148½	2
	Do. Do.	Conv. Loan 1988/93	31/7/71	£4.75	£97.80	£103.00	£1.40
21.9	Broadstone Investment	Ordinary 20p	31/7/71	3.3	136	146	2
	Do. Do.	Conv. Loan 1988/93	31/7/71	£4.50	£90.60	£97.40	£1.40
37.3	Continental & Industrial Trust	Ordinary 25p	31/7/71	4.12	173½	189	2½
21.8	Trans-Oceanic Trust	Ordinary 25p	31/7/71	3.75	156½	167½	2½
	Do. Do.	Conv. Loan 1988/93	31/7/71	£4.30	£97.80	£104.70	£1.60
10.6	Westpool Investment	Shares 25p	31/7/71	2.75	106½	111½	2
	Do. Do.	Conv. Loan 1989/94	31/7/71	£5.00	£95.90	£100.40	£1.70
	Touche, Remnant & Co.						
64.5	Atlas Electric & General Trust	Ordinary 25p	30/7/71	2.9	162	170½	1½
27.2	Bankers' Investment Trust	Ordinary 25p	30/7/71	3.875	130	138	1
10.3	C.L.R.P. Investment Trust	Ordinary 25p	30/7/71	2.625	130	137	1
15.1	Cedar Investment Trust	Ordinary 25p	30/7/71	3.375	139	144½	1
33.3	City of London Brewery	Deferred 25p	30/7/71	3.75	124	131	–
19.3	Continental Union Trust	Ordinary 25p	30/7/71	2.0	105	111	1
28.6	International Investment Trust	Ordinary 25p	30/7/71	3.625	155	162	1
37.4	Sphere Investment Trust	Ordinary 25p	30/7/71	2.3	111½	117½	1
39.6	Standard Trust	Ordinary 25p	30/7/71	4.25	152½	161½	1½
	VALUATION THREE-MONTHLY						
99.9	Anglo American Securities	Ordinary 25p	15/7/71	2.375	101	107½	2½
	Do. Do.	Conv. Loan 1988	15/7/71	£4.00	£101.00	£107.50	£2.50
16.6	Charterhouse Investment Trust	Ordinary 25p	30/7/71	3.75ac	125ac	133ac	1½ac
13.8	Electronic Trust	Ord. & "B" Ord. 25p	30/7/71	*2.375	103	104	2
6.0	Ever Ready Trust	Ordinary 25p	31/7/71	5.25	171	177	1
9.1	Grange Trust	Ordinary Stock 25p	31/5/71	3.75	154	163	1½
14.5	London Scottish American	Ordinary Stock 25p	30/7/71	3.75	132	139½	2
41.9	London Trust	Ordinary 25p	30/9/71	8.125	281½	293½	2
5.0	Oil & Associated Inv. Trust	Ordinary 25p	30/6/71	2.0	55	58	½
	Do. Do.	Conv. Loan 1988/93	30/6/71	£6.25	£123.75	£126.00	£1.10
22.1	Pentland Investment Trust	Ordinary 25p	30/6/71	3.0	110½	116	1½
63.9	Scottish Eastern Inv. Trust	Ordinary 25p	31/7/71	3.25	131	137	2½
9.7	Second London Scot. Am. Trust	Ordinary Stock 25p	30/7/71	4.75	163½	172½	2½
6.9	Technology Investments	"A" & "B" Ord. 25p	30/7/71	*1.625	68	69	1
42.9	United States Debenture Cpn.	Ordinary Stock 25p	30/7/71	2.625	91	94	1½
	Do. Do.	Conv. Loan 1974/93	30/7/71	£5.00	£99.60	£103.28	£1.60
	City Financial Administration Ltd.						
2.9	Acorn Securities	Capital 1p	9/8/71	–	55	55	1
10.1	General Funds Investment	Ordinary 25p	2/9/71	3.75	131	136	2
	Do. Do.	Conv. Ord. 10p	2/9/71	–	94½	98	1½
7.7	"Investing in Success" Equities	Ordinary 25p	9/9/71	1.75	105½	110	2
	General Investors Group						
17.0	General Investors & Trustees	Ordinary 25p	30/6/71	5.125	167	177	1
13.7	Cardinal Investment Trust	Deferred 25p	30/6/71	4.75	160½	171	1
†	City & Gracechurch Inv. Trust	Ord. & Conv. Ord. 25p	30/6/71	†	†	†	†
	John Govett & Co. Ltd.						
53.6	Border & Stbn. Stockholders Trust	Ordinary 50p	30/6/71	5.5	279½	288½	5
7.6	General Stockholders Inv. Trust	Ordinary 25p	31/7/71	4.125	335	378	8
46.9	Lake View Inv. Trust	Ordinary 25p	30/6/71	3.625	177	185	3
	Do. Do.	Conv. Loan 1973/98	30/9/71	£4.00	£119.00	£123.40	£2.10
23.4	London & Aberdeen Inv. Trust	Prefd. & Deferred 5p	30/9/71	1.9	135	141	1
43.9	Stockholders Inv. Trust	Ordinary 50p	31/7/71	6.5	378½	399	7
7.1	Western Stockholders Inv. Trust	Ordinary 25p	30/6/71	0.675	47½	49½	1
	Henderson Administration Ltd.						
99.9	Witan Investment	Ordinary 25p	30/4/71	1.75	89	96	1½
17.0	Electric & General Investment	Ordinary 25p	31/5/71	1.25	93½	99	2
4.4	Greenfriar Investment	Ordinary 25p	30/6/71	1.125	100	100	2
4.1	Mendip Investment	Ordinary 25p	31/5/71	1.2	83½	88	1½
3.6	Lowland Investment	Ordinary 25p	30/6/71	1.9125	45	45	–
	Hill Samuel & Co. Ltd.						
14.3	City & International Trust	Ordinary 25p	31/5/71	2.44	84½	90½	1
	Do. Do.	Conv. Loan 1989/94	31/5/71	£4.25	£84.70	£90.70	£1.10
7.6	General & Commercial Inv. Trust	Ordinary 25p	31/5/71	3.5	121½	130	1½
16.3	General Consolidated Inv. Trust	Ordinary 25p	30/6/71	2.25	75	78	1
	Do. Do.	Conv. Loan 1989/94	30/6/71	£4.50	£88.60	£92.50	£1.40
95.3	Philip Hill Investment Trust	Ordinary 25p	31/5/71	5.625	177½	182½	1
	Do. Do.	Conv. Loan 1989/94	31/5/71	£4.50	£101.30	£104.20	£0.60
3.0	Moorgate Investment Co.	Ordinary 25p	31/5/71	2.0	55	57½	–
27.0	Nineteen Twenty-Eight Inv. Trust	Ordinary 25p	31/5/71	5.125	199	198	3
	Kleinwort Benson Ltd.						
2.4	Cumulus Inv. Trust	Ordinary 25p	31/7/71	1.25	80½	87	½
28.1	English & New York Trust	Ordinary 25p	30/6/71	2.975	95½	99	2

* Applies to Ordinary/"A" Ordinary only. ac=adjusted for scrip issue. ar=adjusted for rights issue. † Company publishing year-end results shortly.

Notes:—

(a) Cols. 1, 6, 7 Quoted investments are valued at mid-market prices; unquoted at directors' valuation; both include 100 per cent. of all investment dollar premium.

(b) Cols. 1, 6, 7 All revenue account items are excluded.

(c) Cols. 1, 6, 7 No account has been taken of any liability in respect of taxable gains which might arise on future disposal of investments.

(d) Cols. 5-8 Amounts are per share/stock unit or per £100 Convertible Loan Stock. Column 5 precisely stated; columns 6-8 to nearest ½p per share and 10p per £100 Convertible Loan Stock.

(e) Col. 5 Dividend is last declared gross annual dividend or firm forecast.

(f) Cols. 6-7 Prior Charges are deemed to include preference share capital.

(g) Cols. 6-8 Convertible Loan Stocks are treated as if converted at the rate for the next conversion date, and not as prior charges.

A booklet, "Investing in Investment Trust Companies," is available from the Association of Investment Trust Companies, 7, Angel Court, Throgmorton Street, E.C.2.

AITC

Colour TV for S. Devon

FULL Westward TV and BBC-2 625-line colour/black-and-white television will be seen by about 460,000 people in South Devon and parts of Somerset starting next month.

The area, which includes Exeter, Honiton, Sidmouth, Tiverton, Yeovil and parts of Taunton, Wells and Shepton Mallet, will be served by the Independent Television Authority's new UHF main station at Stockland Hill, near Honiton, from which the BBC will also be transmitting its full service.

Some viewers in the Torbay area should be able to receive UHF from Stockland Hill, although Torquay and Paignton will be better served by a further main UHF station at Beacon Hill, due to open early in 1973.

Westward TV programmes in 625 lines will be transmitted from Stockland Hill from September 13.

'Imminent'

A spokesman for the BBC said the start of its BBC-2 service from the new station was "imminent," adding that BBC-1 programmes were expected to be added in about six weeks' time.

With the UHF stations at Caradon Hill and Redruth in Cornwall, which entered programme service in May, well over 1m. people will now be able to watch Westward TV on 625-line colour/black-and-white, ITA stated. It added that VHF 405-line transmissions from Stockland Hill would continue.

Four Singer subsidiaries to merge on Sept. 30

BY ANDREW HARGRAVE, SCOTTISH CORRESPONDENT

CLYDEBANK, August 20.

FOUR major subsidiaries of the Singer company in the U.K. will be consolidated into a single company on September 30, Mr. John M. Wotherspoon, managing director of the Singer factory here, announced to-day.

Consolidation, said Mr. Wotherspoon, will "result in a better identification of the Singer components, and help to provide a stronger marketing stance for the company." There would be no change in managements or levels of employment.

Name of the company will be the Singer Company (U.K.) to include the Singer Sewing Machine Company at Clydebank, the Tufting Machinery Division, Blackburn, Lancs.; the Friden Division of Stevenage, Herts, which distributes business machines and information systems; and U.K. Marketing Division at Guildford, Surrey, which markets sewing machines and other consumer products.

The move, a spokesman said, is purely for administrative and legal reasons. Because of legal requirements it will be necessary formally to re-employ employees of all the constituent companies.

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Overseas News

China will not join UN with Taiwan

HONG KONG, August 20.

CHINA served notice to-day that it would not join the United Nations if the Taiwan Government were represented in any way on the world body. Uncompromising rejection of any formula that would keep Taiwan in the UN should Peking be admitted came in a Chinese Foreign Ministry statement.

It commented on an American request for inclusion of the question of Chinese representation on the agenda of the forthcoming general assembly session.

The Ministry statement, issued to-day and reported by the New China News Agency, attacked the U.S. search for a formula that would permit both the Peking and Taipei governments to have seats at the UN. It said: "The Chinese Government solemnly declares: the Chinese people and Government firmly oppose 'two Chinas,' 'one China, one Taiwan', or any similar absurdities; firmly opposes the fallacy that 'the status of Tawan remains to be determined'; and firmly opposes the scheme of creating 'an independent Taiwan'.

"Should a similar situation occur in the United Nations, the Government of the People's Republic of China will absolutely have nothing to do with the United Nations," it said.

"This just stand of the Chinese Government is unshakeable. No schemes of 'Two Chinas,' 'One China, one Taiwan' or the like hatched by anyone at any time in any form will ever succeed. The (Taiwan President) Chiang Kai-Shek clique must be expelled from the United Nations and all its organs and all the legitimate rights of the People's Republic of China in the United Nations must be completely restored," it said.

The statement was China's first official reaction to the U.S. "two Chinas" policy in the United Nations.
Reuter

IN BRIEF

THE U.S. ARMY announced yesterday that Lieut. William L. Calley's life sentence for his part in the My Lai massacre in Vietnam has been cut to 20 years as part of a legal review in which President Nixon will have the final word. The reduction could make him eligible for parole after 6½ years.

POLAND'S Baltic sea port of Gdansk, the scene of December's workers' riots, saw more trouble during the second half of May according to the Communist Party monthly, Zycie Part II. The latest edition said the shipyards lived through a "short and fortunately solved conflict" concerning the division of premium payments.

WEST GERMAN Chancellor, Willy Brandt, said yesterday the four-power ambassadorial talks on Berlin were progressing faster than he expected them to one month ago. He said in a television interview, he could not rule out the possibility the talks could end Monday when the diplomats next sit down together.

FRENCH and British governments have agreed to a planned visit to South America by the Franco-British supersonic airliner Concorde. Details of the tour by the needle-nosed airliner from September 14 to 17 will be given next Monday by the two companies building the plane.

EAST PAKISTAN'S outlawed Awami League chief, Sheikh Mujibur Rahman, has chosen his own defender in his trial on charges of treason, the Pakistan Government announced yesterday. His secret trial began on August 1 at an undisclosed place in West Pakistan, and he has been charged with "waging war against Pakistan" and other offences in connection with the civil war that broke out in East Pakistan March 25.

Right-wing revolt shakes Torres régime in Bolivia

BY HUGH O'SHAUGHNESSY, LATIN AMERICA CORRESPONDENT

LA PAZ, August 20.

A RADIO BROADCAST by rebel army leaders in the interior city of Santa Cruz to-night proclaimed Col. Hugo Banzer President of Bolivia and said they were mustering their forces for a march on the capital of La Paz. But Left-wing President Juan Torres' Government vowed to crush the Right-wing rebellion with all force necessary, and armed bands of workers and students took up positions around the capital.

Commanders of the Ranger Regiment, stationed only 12 miles from La Paz, announced they were joining the revolt which began last night with riots in Santa Cruz in which at least one person was shot dead. Radio stations controlled by the rebels said army commanders of six of Bolivia's nine provinces were backing the revolt.

The station in Santa Cruz announced the proclamation of Colonel Banzer, shortly after broadcasting a speech by another rebel leader, Colonel Andres Selich, in which he said he was preparing his troops to march on La Paz 300 miles away.

Observers pointed out that any attempt to attack Pa Paz, the highest capital in the world, 12,400 feet up on a plateau at the edge of the Andes, would be a complex military operation.

The Government has angered the Right-wing of the country this year by nationalising the oil industry and withdrawing its troops from important tin mines, which had in the past been the scene of major violence involving workers.

General Jaime Mendieta, commander of the seventh army division based in Cochabamba, to-day came out in open support of the revolt with a signed statement in which he issued "a call to arms against those who are trying to destroy the moral and civil values of the Bolivian people."

The Government suspended air and telephone communications to-night between La Paz, Santa Cruz and Cochabamba, second city of Bolivia which was also reported in rebel hands. The soldier proclaimed President to-night, Colonel Hugo Banzer, is a former head of Bolivia's military academy. He was one of 30 people arrested in Santa Cruz last night. Just before the riots began, and earlier reports said he was being flown to La Paz for interrogation. But his whereabouts were not clear to-night and it was not known if he was still held by the authorities.

Army Commander General Hiis Reque Terran to-night pledged his support for President Torres and called on his men to stay loyal. He asked them "to fight together to wipe out the common enemies" and pledged that all necessary force will be used to crush the rebellion.

Miners' leaders to-night called an indefinite general strike and ordered armed miners' brigades to muster and fight for President Torres. Large crowds of miners gathered to-night in the big tin-mining centre of Oruro, 145 miles south of La Paz, while unconfirmed report said units of the ranger regiment were preparing to head there to "neutralise" the miners.

A mass "anti-fascist" march was being organised in La Paz to-night and observers said clashes would be inevitable if troops moved to stop the demonstration.
Reuter

Arab Federation formed

BY OUR OWN CORRESPONDENT

BEIRUT, August 29.

THREE ARAB Heads of State rounded their three-day meetings in Damascus to-day and formally proclaimed the establishment of a federation of their countries.

The leaders were President Sadat of Egypt, President Hafez Assad of Syria and Colonel Moammar Khedaffy of Libya.

They also issued a joint communiqué reaffirming their belief that the battle with Israel is inevitable.

In an indirect reference to Jordanian King Hussein's major crackdown on the Palestinian guerrillas in his country last month, the three leaders declared that "the crushing and liquidation of the Palestinian resistance movement is part of an imperialist scheme aimed at protecting and consecrating the Israeli aggression" on Arab lands.

Colonel Khedaffy left Damascus for home to-day, while President Sadat left the Syrian capital for Saudi Arabia to hold talks with Saudi King Feisal.

Considerable importance is being attached to Sadat's meeting with King Feisal in Jadda to-morrow. The two leaders are due to expore the possibilities of bringing about an understanding between King Hussein and the Palestinian guerrillas. This is the first visit to Saudi Arabia by Sadat since the latter succeeded the late President Nasser last October.

It is not clear if Palestinian guerrilla leader Yasser Arafat was accompanying Sadat on the latter's visit to Saudi Aradia.

In their joint communiqué broadcast by Damascus Radio, the three leaders said that the establishment of their federation was the "nucleus of a comprehensive and all-embracing Arab unity," aimed at the "creation of a united Socialist Arab Society."

They reaffirmed resolutions adopted at the Khartoum Arab Summit Conference in August, 1967, namely, that there will be no negotiations, no peace with and no recognition of Israel and that there would be no compromise on the Palestine case.

Under the provisions of the Federal Constitution proclaimed to-day, the three countries will have a Federal Presidency, Council of Ministers and a Federal Peoples Council. The aim of the Federation, it said, is to work "for the realisation of a comprehensive Arab unity and the creation of a socialist Arab society."

The Federation will have one flag, one emblem, one national anthem and one capital. The system of government will be "a democratic socialist one." The door is left open for other Arab states to join in, provided they believed in Arab unity and agree to work for the realisation of a socialist Arab society. The constitution also provides for a unified Arab command for the training and co-ordination of armed forces in the three countries.

UPI adds from Sanaa, Yemen: President Abdul Rahman Aliryani last night asked General Hassan Alamri to form a new Cabinet for the Yemen Arab Republic, Sanaa Radio said to-day. Alamri is also Commander-in-Chief of the armed forces and a member of the three-man Presidential Council, the Yemen's ruling body.

The Premier designate is expected to announce the formation of his Government next week.

Minh pulls out of race for Presidency

SAIGON, August 20.

FORMER head of state general Duong Van ("Big") Minh withdrew his candidature from South Vietnam's presidential elections to-day, branding them as dishonest and leaving the field clear for President Nguyen Van Thieu's election unopposed in October.

His withdrawal, despite exhortations from U.S. Ambassador Ellsworth Bunker that he should run, is a setback to American hopes of presenting the elections to the world as a demonstration of the people exercising free choice of their leader.

Vice-President Nguyen Cao Ky's candidate has already been disallowed for technical reasons, and he too claims that the vote is being rigged. Mr. Bunker called on President Thieu to-night for the second time in 24 hours. There was speculation that he was trying to ensure there would still be an opposition candidate, but the U.S. Embassy declined comment except to say that it regretted General Minh's withdrawal.

General Minh, 55, was regarded as a "peace" candidate. In his request to the Supreme Court to cancel his candidature, he said his fears of election rigging by President Thieu had been confirmed and he was withdrawing "so as not to be part of a despicable farce."

At a Press conference "Big" Minh's spokesman, Deputy Nguyen Huy Chung, produced documents to support the election-rigging charge.

These included photostats of double-voting identity cards said to be for Thieu supporters so that they could vote twice, as well as a set of alleged instructions labelled "top secret" with Government guidance for the 44 province chiefs on the conduct of the elections.

The instructions contained a section referring to discreet methods to "try to win the hearts of people" and to obstruct the opposition.

The Government has repeatedly denied any attempt to rig the elections.

Minh aides referred to a heated exchange with Ambassador Bunker at a meeting last night when the American envoy tried to dissuade General Minh from pulling out of the presidential race. "The general was furious," the aides reported saying. The Ambassador had suggested that General Minh should stay in the race ready to take over as leader of the opposition should he lose.
Reuter

WESTBANK ARABS ORGANISE

TEL AVIV, August 20.

A FIRST attempt on the West Bank to organise a political body since the six day war was made yesterday by the mayors of the West Bank who convened this week at Beit Sahur, Bethlehem. The mayors formed an executive committee and they declared their intention to form a hundred men west bank "Transitional Parliament" to tackle the political issues facing the local Arab population.

This move was made public on Friday and it was still impossible to get an official reaction from the Israeli authorities. However it is known that the Israeli military government objects to any political organisation of the Arab population in the occupied territory.

GHANA'S REFINANCING LOAN

The cost of debt servicing —the black man's burden

BY CAMERON DUODU IN ACCRA

IT WAS to have been one of those affairs in which everyone smiles for the benefit of the cameras: the signing of an "aid" agreement. After the handshakes, it might have been expected, there would be a platitudinous speech from the recipient government and a self-congratulatory one from the donor. And champagne afterwards.

But the scenario that was enacted in Accra recently, during the signing of an agreement under which the U.K. Government gave Ghana a "refinancing loan" of £3.5m. to cover debts that Ghana would have repaid between the period July, 1970, to June, 1972, was markedly different. Ghana's Finance Minister, Mr. J. H. Mensah, sent waves of shock through the assembled company of diplomats and newsmen when he told the British High Commissioner, Mr. H. S. H. Stanley:

"This loan is in implementation of the agreement that was reached between Ghana and her major creditors in London in July last year. Its terms imply that it has a 'grant element' of 61 per cent., which is in accordance with the Agreed Minute of that conference on Ghana's debt problems.

"I wish I could say therefore that everything is fine. But, Mr. High Commissioner, you know that everything is not fine. I personally regard this ceremony as one of the most uncongenial I have had to take part in during my term as a member of the Government of Ghana."

Ghanaian Finance Minister Mr. J. H. Mensah: "It is impossible to convince any Ghanaian that public money should be spent on paying such debt rather than on developing the country."

Frustrating

"And this is entirely because, as you know, the agreement we are signing not only threstens to sanctify, with the concurrence of our Government, the principle of RELIEVING debts by INCREASING them, but also, embodies a particularly harsh application of that principle."

The context in which Mr. Mensah's outburst occurred deserves some attention. He had just emerged from his customary seclusion after preparing the 1971-2 budget. Budgeting for Ghana has been a frustrating experience since the golden years of the late 1950s and early '60s, but this year it must have been more frustrating than usual. After nearly two years in office, Ghana's civilian Government is faced with widespread social discontent at a time when the economic situation leaves little alternative but renewed austerity.

There is enormous public dismay at the high cost of food, particularly locally grown food. Unemployment is rising with no prospect yet in sight of its being relieved. There has been a succession of strikes as the Government remains unable to meet demands for increased pay and better conditions of service. To show that it intends to "bridge the gap" between the high and low income groups the Government has increased the rents of civil servants who live in official bungalows by nearly 100 per cent.—which has not endeared it to the group (by no means the most productive in society) which must carry out its policy. To crown it all, the Government has antagonised the extremely vocal university student body by abolishing full scholarships and replacing them with a loan scheme under which the students will spend a good part of their early working life repaying the cost of their education.

This is, therefore, a particularly difficult period for the Government to have once again to face the ongoing debt problem. And Ghanaian statistics show that as a result of the "rescheduling" exercises, which have each involved "moratorium" interest, the medium-term debt owed by Ghana to creditor countries has risen by over $80m.

In the first rescheduling, in 1966, a total of $137.3m. owed to IMF countries was deferred; the moratorium interest on that amount was $56.9m. or 41.4 per cent. In 1968, the sum rescheduled was $75.3m., on which a moratorium interest of $35.6m. or nearly 36 per cent., was charged.

The two rescheduling agreements brought Ghana's total liabilities to the IMF countries' therefore to nearly $300m., of which nearly $54m.—or 39.4 per cent.—was in moratorium interest.

The effect of the debt servicing burden on the balance of payments has been crippling. Real imports have had to be kept at a level ten per cent. below that of early '60s, while this year earnings from cocoa, still the mainstay, will drop by an estimated $80m. In his budget Mr. Mensah banned the importation of a further wide range of goods including passenger cars, while he extended the import surcharge which was formerly levied on only a few selected goods. He also announced that a new understanding would have to be sought with the International Monetary Fund over $27.4m. made available to Ghana in 1966 and 1967 and which are due to be repurchased this year. These problems, and subsequent measures, have cast a gloom not only on the country's economic development but also on its political stability.

Mr. Mensah noted that "Western creditor countries imposed harsher terms on Ghana" than creditors from Eastern countries. The latter charged only 16 per cent. in moratorium interest as against the 39.4 per cent. of the West—an ironic point not lost on Ghanaians, for the 1966 coup d'etat which deposed President Nkrumah brought about a change in foreign policy from friendship with Eastern countries and veiled hostility to the West, to the exact opposite.

But the comparison in the attitudes towards Ghana's debts between East and West was not the only stick used by Mr. Mensah in beating Ghana's "friends" in the West. He pointed out that many of the projects which created the debts in the first place were far from praiseworthy. "Mr. High Commissioner," said the Ghana Minister, "$89m. (the increase in the debt due to moratorium interest) is a lot of money to us. It is the equivalent of one-fifth of Ghana's operational and capital budget for one year. It is three times as much as we spent on our agricultural services in the past financial year."

Cordial

"Unlike the debt we inherited from the former regime, we do not have any factories or frigates or even useless and overpriced monuments in concrete and steel to show for it. It is a debt payable in foreign exchange, our scarcest commodity, which arises entirely from a paper transaction. It is impossible to convince any Ghanaian that public money should be spent on paying such debt rather than on developing the country."

"The present ratio of debt servicing to new loans is 87 per cent. in Latin America, 73 per cent. in African states, 40 per cent. in South East Asia and the Middle East. If the present trend continues, in five years that ratio will reach more than 100 per cent. in many developing countries." Lester B. Pearson, in 1969.

Britain, Mr. Mensah said, had charged Ghana "moratorium interest of 6 per cent. in the 1968 settlement: the highest rate imposed by any creditor country." Considering that Ghana's ties with the United Kingdom were based on a special historical relationship, and also considering "the very cordial relations" that now existed between the British and Ghanaian Governments, Ghana had had the "greatest hope" that Britain would set the pace by agreeing to reduce the burden of the moratorium interest rate.

Even at this late stage, it was Ghana's hope that the matter would be further considered. For the principle of debt escalation, and the particularly harsh way Britain had applied it to Ghana, would set "a bad precedent which if followed by other creditor countries, could compound Ghana's debt problems out of all proportion."

Banda determined to continue "dialogue"

BY OUR OWN CORRESPONDENT

JOHANNESBURG, August 20.

MALAWI President Kamuzu Banda has ended his five-day state visit to South Africa "more determined than ever to maintain contact and dialogue." Johannesburg was treated to the rare spectacle last night of the Prime Minister Mr. John Vorster and other members of the Government mingling socially with local blacks.

The occasion was Dr. Banda's banquet at the President Hotel, and pictures of black and white guests eating and drinking together were splashed in the morning newspapers. One of the highlights of Dr. Banda's tour was his visit yesterday to Soweto where he was greeted by a cheering crowd of about 8,000 Africans, to whom he said: "I have told Mr. Botha and I have told Mr. Vorster that I do not approve of the philosophy of apartheid." He shouted "Uhuru" several times before addressing the large crowd outside the Urban Bantu Council chamber.

The VIP treatment accorded Dr. Banda was slated by the anti-Government coloured Labour Party. In a debate in the Coloured Persons Representative Council one of the party's members, Mr. E. Domingo, said that while Banda was being feted in South Africa as a "fully-fledged citizen entitled to all rights" this privilege was not enjoyed by the Coloureds.

A spokesman for the pro-Government coloured Federal Party on the other hand displayed a copy of a newspaper with a picture of Banda hugging two white schoolboys at Stellenbosch, and said: "If a black man had been seen doing this ten years ago, he would have been beaten up and thrown into gaol."

U.S. Negro Congressman Charles Diggs ended his nine-day visit to South Africa yesterday. He told Pressmen: "Until one recognises the importance of internal dialogue the question of external dialogue will remain irrelevant." He added that he would continue to oppose the sale of South African sugar to the United States.

Reuter reports from Blantyre: South African President Jim Fouche is to visit Malawi next year, President Banda announced here on his return from a five-day State visit to South Africa. No date was given for the visit, but President Banda said: "President Fouche is a farmer like me. I want him to come when the crops are looking good."

DEAN'S TRIAL WITNESS

PRETORIA, August 20.

THE JUDGE at the terrorism trial of Johannesburg's Anglican Dean to-day granted a defence application for evidence to be taken on commission in England from a key defence witness, Miss Allison Norman.

Miss Norman, a 37-year-old social worker, is alleged to have sent funds from the banned Defence and Aid Organisation in London to the Dean, the Very Rev. Gonville ffrench-Beytagh, for distribution to outlawed organisations in South Africa.

SOVIET MOTOR PLANT CRITICISED

MOSCOW, August 20.

THE SOVIET Union's Gorky Motor Works was officially criticised to-day for failing to modernise its plant and use the benefits of modern science to improve efficiency. A chemical works, also at Gorky (in Central Russia), came under fire for the same reasons in a Communist Party resolution published in Pravda.

The decree also sharply attacked the local Party regional organisation for failing to direct properly the activities of economic, local government, trade union and youth organisations

VW ANNOUNCES PRICE INCREASE

WOLFSBURG, August 20.

VOLKSWAGENWERK AG announced price increases for its 1972 models averaging 1.3 per cent. Volkswagen's cheapest model, the 1300 Beetle, will now cost DM5,045, a rise of DM100.
Reuter

Stormont claims reforms in 20 fields over two years

A WHITE PAPER issued yesterday by the Northern Ireland Government lists more than 20 fields in which, it is claimed, reforms have been achieved in the last two years.

In a foreword to the paper, the Stormont administration says it has decided to place the facts on record "in face of unsubstantiated allegations that it has failed to honour its obligations under the Downing Street Declaration of August, 1969."

'Equality'

The declaration pledged that every citizen of Northern Ireland is entitled to the same equality of treatment and freedom from discrimination as obtained in the rest of the U.K. irrespective of political views or religion."

The Ulster Government stresses in the White Paper that its purpose is not to provoke controversy nor "simply or solely to refute calumny."

It adds: "Clearly no progress is possible towards reconciliation and mutual co-operation within Northern Ireland if the essential facts are either misunderstood or misrepresented by leaders of opinion inside Northern Ireland or by persons holding high office elsewhere."

This comment can be seen as a reference to remarks by Mr. Jack Lynch, Prime Minister of the Irish Republic, and his colleagues.

The White Paper recognises Stormont's "obligation to promote higher standards of life, greater economic opportunity and a fuller, freer and more satisfying environment for all citizens of Northern Ireland."

It goes on: "Great progress has already been made towards the achievement of the social and economic aims, but the Northern Ireland Government alone cannot ensure success in this matter.

"The creation of a stable and prosperous society requires the co-operation of all sections of the community within Northern Ireland as well as the continuing support and active involvement of the Government of the U.K."

Restoration of law and order was the "indispensable foundation of this further progress and this means the cessation not only of riots, shootings, bombing and arson, but also of intimidation, extortion and all forms of civil disobedience."

The White Paper states that equality of treatment and freedom from discrimination were prerequisites of a just society, but they were of little comfort to those who lacked security in their homes, in their street or in their place of work: "Nor do they confer any material benefits on those who lack jobs or decent houses and have no stake in society."

After the restoration of peace, the next requirement was to harness the energies of all sections of the community in a programme of development.

Reforms listed in the White Paper included those affecting the police, the future appointment of a public prosecutor, replacement of the "B" Specials, fair electoral representation, changes in public employment policy, the introduction of anti-discrimination clauses in Government contracts, housing community relations and local government reorganisation.

Special powers

Of the Special Powers Act, the Government says it would wish as soon as possible to revoke the powers, but a prior condition would be the renunciation of violence and terrorism.

"Far from this condition having been fulfilled, the escalation of violence on the part of the IRA during the last two years has left the Northern Ireland Government no alternative but to invoke with extreme reluctance the powers of detention and internment."

Attack on gas hive-off plan

By Harold Bolter

SPECULATION that the Government may decide to hive-off gas showrooms and domestic installation and maintenance work to private interests is being strongly attacked by the Public Enterprise Group.

In the first issue of its new journal, the group maintains that the gas industry has an enviable record in terms of price stability and labour productivity.

Higher prices

It claims that selling off gas showrooms would almost inevitably mean the replacement of an effective public monopoly by an effective private monopoly which would not be subject to consumer or Parliamentary control.

"The likely result would be higher prices and an inferior service," it maintains.

The group also suggests that as sales of gas depend on sales of appliances, the industry has a major interest in promoting appliance sales. By undertaking the sales itself, the industry can assess consumers' requirements in terms of quality, design and price, achieve economies through bulk buying, and influence the prices, design and quality of manufacturers' appliances, it says.

COMPANY NEWS

Another big increase for Quinton Hazell

A JUMP of £478,000 to not less than £2.1m. in pre-tax profits for the current year is expected by Quinton Hazell (Holdings), which makes motor components for the replacement market.

Subject to no major upheaval, chairman Mr. Quinton Hazell looks forward with confidence to further substantial progress at home and abroad.

Trading in the automotive manufacturing divisions is once again running at some 25 per cent. above last year. In machine tools there are further substantial order from America are to hand, but home orders have been "most disappointing" in the first few months.

The removal of half of the SET from July will give great incentive to Partco, which will undoubtedly "forge ahead even faster," the chairman states.

Export sales continued their remarkable rise last year, amounting to £3.41m., and there is every indication of further growth this year.

Mr. Hazell says sales to vehicle manufacturers is still being restricted to 10 per cent. of production, and "the wisdom of this policy is more evident year by year."

As reported on July 29, group profit before tax for the year ended March 31, 1971, was £1.62m. (£1.21m.). The automotive division contributed £1.52m.; geographically, U.K. accounted for 96 per cent. of total profit, Australia 2.3 per cent., Eire 2.1 per cent. and Belgium loss 0.4 per cent. The dividend is 13½ per cent (equivalent 11½ per cent.).

Mr. Hazell is "delighted by the steps the Government has taken to get our economy moving" and makes a plea for it to take a firm initiative to encourage industry to invest in new machinery. He feels a long term-based system must be introduced where cash flow from depreciations can be seen to be reinvested.

He would propose a simple amendment to the Finance Bill to ensure that the cash flow on the write-down of plant and machinery is only available for re-equipment within industry, and must be spent over a given time.

Further, he suggests that this write-down in the coming year should be 100 per cent. against tax on condition that the total sum written off is re-invested in new plant over the following two years. This figure could be adjusted to 80 per cent. if this would be too hard an initial step.

Meeting, Kenilworth, September 15 at noon.

See Lex

£0.1m. forecast by Peek Winch

Providing Peek Winch and Tod, wholesale and retail grocers, maintains its current-year upward trend in sales throughout the last 28 weeks of 1971, traditionally the best, pre-tax group profits for the year are expected to reach approximately £100,000, against £68,845.

From sales of £6.73m. (£6.39m.) profit for the first 24 weeks increased from £13,633 to £53,153, after depreciation of £24,222 (£22,437), etc. Tax takes £18,603 (nil) leaving a net profit of £34,550 (£13,633).

Sales for the first quarter began sluggishly but from April onwards there was a steady improvement.

£139,000 loss by Loyds Retailers

FOR THE six months to December 31, 1970, Loyds Retailers has incurred a loss, as was thought possible. The net attributable figure was £139,000, against a comparable period profit of £123,000.

	Half-year 1970 £000	1969 £000
Turnover	9,782	4,795
Trading profit	666	488
Depreciation	676	31
Interest payable	1,209	334
Interest receivable	1,059	—
Loss minority	1	—
Attributable loss	139	*123
Preference div.	7	7
Interim Ordinary	—	16
Brought in	493	268

* Profit.

The company has concentrated the major part of its television rental business into a wholly-owned subsidiary, Loyds Rentals. With effect from December 30, 1970, this has been sold to Philips Industries for a nominal consideration, and Philips has made sufficient funds available to Rentals to enable it to repay its borrowings from Loyds.

Furthermore, Loyds has made an interest-free loan (guaranteed by Philips) of £1,743,000 to Rentals and has the option to subscribe for new equity in Rentals which would give it one-third of the enlarged capital at a price equivalent to the amount of the loan. This is exercisable at any time before December 31, 1975.

Loyds chairman Mr. H. Amelan considers these arrangements will be of considerable benefit in relieving the company of the heavy initial costs and the continuing burden of financing the build-up of colour television rental activity and the costs of replacing black and white receivers with colour.

Substantial losses have also been incurred during 1971, he says. Steps have been taken to reduce expenditure and to increase turnover in order to accelerate the rate of recovery and restore the business to profitability. The losses will not be made good in 1971 as it will take some time for the remedies to achieve their objectives.

Masson Scott—no less profit

CURRENT YEAR profit of Masson Scott Thrissell should be not less than the £578,000, pre-tax, achieved for 1970, the directors state.

From a slightly increased turnover of £3.96m. (£3.81m.) first-half profit expanded from £180,000 to £345,000, subject to tax of £129,000 (£69,000).

Orders for completion in the second half are at a "reasonable level." The year's forecast, the directors state, is subject to completion of a number of critical contracts.

They report that orders received so far in 1971 are at a noticeably lower level than last year. There has been a general reduction in activity in most of the company's markets.

While the company is well placed to take advantage of any upturn the directors are concerned at the timing of that upturn as it could come too late to bring any improvement in 1972 prospects.

An unchanged interim dividend of 10 per cent. is declared. The 1970 total was 21 per cent. The company—a subsidiary of Molins—manufactures specialised machinery for the packaging and printing industries and paper handling.

John J. Lees confident

Given stability in raw material prices and packaging, the chairman of John J. Lees, Scottish confectionery makers, assured shareholders at the annual meeting that results for the current year to March 31, 1972, would be at least as good, if not better, than the past year.

Mr. J. J. Lees said the pattern of home sales was changing and they now had good accounts in the large supermarkets and grocery chain stores. The introduction of a British-made continuous moulding machine to manufacture fondant and chocolate products had enabled them to increase output by 50 per cent., improve the product and develop new lines.

Export sales, mainly to North America, had increased with the bulk of the output going to Canada, but the change in the dollar position could make it difficult for them to remain competitive there. European sales would expand considerably if Britain joined the EEC and they were giving serious consideration to this market.

Kodak sales up—lower margins

Sales by Kodak and its subsidiaries in the year ended November 1, 1970, totalled £80.7m., an increase of 10 per cent. on the £73.2m. in 1969. Exports rose to £22.2m., or 27½ per cent. of sales.

Earnings before tax were up by 5 per cent., from almost £17m. to £17.8m. But a lower average rate of tax resulted in net profits rising by 32 per cent. from nearly £8.2m. in 1969 to £10.8m.

A net dividend of £5.9m., against £4.15m., after tax, was remitted to the Eastman Kodak Company.

Mr. F. J. Moorfoot, chairman and managing director, says that in 1970 the costs picture was by no means as satisfactory as sales, and he goes on to warn that in 1971 increasing costs continue to be a primary problem.

He points out that earnings before tax rose by a smaller percentage than sales because of increased costs, and that this performance compared unfavourably with the previous year, when earnings before tax moved ahead by more than 12 per cent.

Investment in new facilities continued at a high level in 1970. Gross expenditure on fixed assets amounted to almost £8.5m., against which it is estimated the company will receive investment grants totalling £763,000.

On the outlook, Mr. Moorfoot says that against the general background of the economy so far this year, the sales picture has been only moderately satisfactory overall and certain markets have continued to be weak.

The "mini-Budget" could provide a welcome boost to business generally, but increasing costs continue to be a primary problem, he adds. Profits before taxes continue to rise at a slower rate than sales and the photographic business generally "is not expanding as swiftly as we would like."

Mr. Moorfoot stresses that efficiency has to be improved and the problem of rising costs met with every possible weapon. They have to pressforward with development work on new products and systems.

Abercom tops forecasts

Earnings per Ordinary share of Abercom Investments (of South Africa) amounted to 30.5 cents for the year to June 30, 1971, against not less than 28 cents forecast, and in view of this the dividend total is to be 15 cents a share, compared with 14 cents foreshadowed. The recommended final is 11 cents.

The profit and dividend forecasts were made in the London introduction statement, and confirmed last February with the interim report. Earnings in 1969-1970 were 22.8 cents and the dividend for that year 10 cents.

Directors now forecast earnings of not less than 36 cents for the current year, and a total dividend of 18 cents.

MINING NEWS

Buffels forecasts big dividend cut

BY LESLIE PARKER, MINING EDITOR

THERE was sad news yesterday for shareholders in South African gold-uranium producer Buffelsfontein prompted by a mixture of falling ore value and the currently poor market for uranium.

Resultantly, the high capital expenditure programme will not only mean a sharp reduction in the dividend from the 1970-71 level of 33½ cents to about 18 cents (10.5p) for the time being but will also involve a multi-currency loan of $7m. (£2.9m.) for an overall term of five years, initially drawn in Swiss francs.

The company reckons that in addition to loan repayments (the balance of interest-free uranium loans of £1.9m. is repayable over the next 18 months) it will during the five-year period be able to provide in full out of profits for its capital expenditure which is estimated at R19m. (£11m.).

This, it is stated, will complete the major capital programme with the exception of the further shaft system which will probably be required at some time to exploit the Lucas block area.

Considerable stockpiling of uranium will be necessary in the course of the five years representing a cash outlay of around R6m. (£3.5m.) in addition to tax payments of some R3m. By 1976, however, the stockpile's value should be substantially higher. General Mining is guaranteeing the loan.

WESTERN MINING

All three shafts at Western Mining's Kambalda nickel operation in Western Australia have been closed down owing to a labour dispute over contract rates. A spokesman said the company had enough ore to run its concentrator for most of the week-end.

Hammond downturn: holds 20%

PRE-TAX profits of the L. Hammond and Co. (Holdings) group of Lloyd's and general insurance brokers fell from £817,456 to £713,563 for the year to March 31, 1971.

The dividend total is effectively maintained at 20 per cent., with a final of 8 per cent.

	1970-71 £	1969-70 £
Brokerage income	1,886,229	1,821,663
Opertg. and gen. exes.	1,670,689	1,606,224
Balance	215,540	215,449
Share pre-tax profit U.K. associate	87,758	96,071
Underwriting income	113,722	159,256
Invest. and int. income	295,215	349,650
Profit	713,563	817,456
Tax	293,286	318,531
Leaving	420,277	498,925
Addit. rents etc	*51,000	—
Attributable	369,277	498,925

* Less estimated tax relief. Arisen over last two years from lease renegotiations and renovations.

Last March the directors said they were confident the year's results would not be less than for 1969-70. They now explain that the fall in pre-tax profits was due to disappointing results from underwriting and less interest income as a result of lower rates obtainable.

They say there has so far been no improvement in these areas in the current year and they believe it would be unwise to expect this year a return to the 1970 level of profit.

However, the better outlook for brokerage income and for motor underwriting, together with increased income expected from property and investments, gives them confidence that the setback is temporary and that the earlier growth pattern will be resumed thereafter.

The head office in the Minories has been substantially renovated and, as a result of transfer of staff to Caterham, more than one-third of the building is on offer for sub-letting. It is anticipated this will produce in a full year additional pre-tax profits of not less than £80,000.

See Lex

Roadstone £3m. Debentures repayment

Amalgamated Roadstone Corporation proposes to repay its three classes of Debenture stock involving a total of around £3m.

The repayment rates (per £100 stock) are:— 6 per cent 1983-88 at £83 cash; 6½ per cent. 1985-90 at £87; and 7½ per cent. 1986-91 at £91.

The company, a subsidiary of Consolidated Gold Fields reports an increased turnover for the year to June 30, 1971, of £37.38m. (£31.35m.) and pre-tax profit of £2.8m. (£1.67m.).

An interim of 12p (6.67p) per 30p share is declared. It is not intended to recommend a final.

	1970-71 £000	1969-70 £000
Turnover	37,380	31,342
Margin in trading	6,384	5,070
Deprecn. & depletion	2,846	2,247
Operating surplus	3,938	2,823
Interest	1,135	1,154
Profit before tax	2,803	1,669
Taxation	1,173	726
Net profit	1,630	943
Dividend	1,511	806
Retained	119	137

The aggregates divisions provided 73 per cent. of the turnover. In those divisions the total tonnage of stone, coated stone and ready mixed concrete sold rose by 18 per cent. and the contribution to the group operating surplus increased from £2,115,000 to £3,036,000.

APPOINTMENTS

Lansing Bagnall divisional post

Mr. A. H. Johnson has been appointed divisional director—parts and service—of LANSING BAGNALL from October 1. He was previously divisional director U.K. field sales.

★

Mr. George T. Noble, sales director of Heywood Williams, has been elected president of the PATENT GLAZING CONFERENCE.

★

Mr. J. B. Catherall has been appointed sales director and Mr. B. W. S. Nuttall technical director of USI ENGINEERING.

★

Mr. E. W. Seed has been appointed a director of SHEPHERD ENGINEERING SERVICES (Shepherd Building Group). Mr. Seed will continue as general manager of the company.

★

Mr. Keith Angood, general manager, has been appointed a director of HOTCHKISS DUCTWORK.

★

Mr. T. H. B. Lawther has been elected president of the INSTITUTION OF MINING AND METALLURGY for the session 1972-73 in succession to Professor M. G. Fleming. Mr. Lawther will assume the post in May, 1972.

★

Mr. J. Turner, sales director, has been appointed commercial director of ALCOA MANUFACTURING (GB).

★

National Westminster Bank made the following appointments in LOMBARD NORTH CENTRAL MANAGEMENT. Mr. H. F. Al[illegible] is to be chief executive, succeeding Mr. P. J. Greaves, and R. J. Barnes will succeed Mr. N. Osborne, as director of the instalment credit division.

On medical advice, Mr. Greaves and Mr. Osborne have asked to retire from their executive duties from December 31, but they will continue as directors.

Mr. Barnes will be succeeded as director of group services division by Mr. J. S. Thomas, while V. L. Cannock will take over south-east region from Mr. Alf[illegible]

Ford $20m. small car account winner

By Jurek Martin

NEW YORK, August 20.

THE FORD MOTOR Company has chosen Grey Advertising to handle all the advertising for its Pinto, Maverick and Mustang cars. Last month Ford took away the account for these cars from J. Walter Thompson and the placing of it with Grey amounts to one of the largest switches of accounts in the history of the advertising industry.

Although precise figures are not available, it is estimated that Ford spent close to $20m. in advertising these three cars in the past 12 months, which are the smallest it makes. Madison Avenue has been awash with speculation in the past few weeks over who would receive this exceptionally valuable account.

The Grey agency was frequently mentioned as a possible winner of the account. It handles the Ford corporate account—that is, advertising Ford as a company rather than its individual product lines—and also did some pre-introductory work on the Pinto last year.

Ford never explained why JWT lost the small car accounts. JWT will continue to handle the advertising for a number of Ford's larger cars and trucks, which still comprise the larger part of Ford's overall expenditures on advertising of well in excess of $60m. a year. There were rumours that Ford was dissatisfied with the quality of the advertising put out for its small cars by JWT, the largest agency in the world, but these were never confirmed.

SALEROOM

£430 for silver coffee pot

A PEAR-SHAPED 29 oz. coffee pot, John Swift London, 1792, bought by Whitton for £430 in £7,581 Phillips, Son and Neale silver sale yesterday.

A tea and coffee set of plain fluted design (138 oz. gross) went to Frost for £360.

INDUSTRIAL PRESS NEW IPC NAME

Engineering, Chemical and Marine Press, part of IPC Business Press, is to be renamed Industrial Press from September 1. The company publishes journals in the industrial field including British Plastics, Engineering, and Petroleum Times.

Announcing the move yesterday, IPC Business Press stressed that no other changes were involved. The title alteration is aimed solely at identifying the company's activities more clearly and making its name less cumbersome.

ACCLES & POLLOCK IN HOLLAND

Accles and Pollock, of Oldbury, Worcestershire, a member of the steel tube division of the Tube Investments group, is registering a company in the Netherlands, Accles and Pollock NV. It will be based at Aalten, near Arnhem, and will manufacture steel tube products.

TOYS AND GAMES

It was incorrectly stated yesterday in Sheila Black's article on toys that General Mills owns the Waddington games company. General Mills' games company is Parker Brothers (Monopoly, etc.)

COMMODITIES/Review of the week

Markets subdued and uncertain

BY OUR COMMODITIES STAFF

THE CURRENCY crisis has left London's commodity markets subdued and distinctly uncertain for much of the week. Subdued, because the absence of foreign exchange facilities has prevented overseas traders from operating in the markets, and uncertain because of the changing opinions as to what the future sterling-dollar parity is likely to be.

When the crisis first broke on Monday, prices on many terminal markets steadied to show small gains on the day. Physical markets such as those for imported grain and oilseeds were largely unquoted, a state of affairs that has continued for the rest of the week.

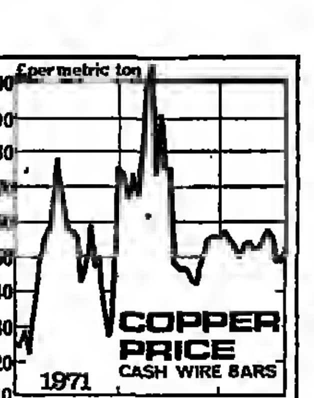
On Tuesday and Wednesday, there was a tendency for terminal market quotations to ease back on the view that the outcome of the crisis might turn out to be a modest revaluation of sterling against the dollar.

Just as the devaluation of sterling in 1967 produced a sharp increase in commodity prices expressed in sterling, to bring them back into line with the world market level, so revaluation would have the opposite effect. Since then, prices have fluctuated within narrow limits awaiting the re-opening of foreign exchange markets.

On the London Metal Exchange, the picture was further confused by the 10 per cent. import surcharge which also formed part of President's Nixon's economic package. As the week wore on, it became clear that the surcharge would not apply to copper and tin, but would to lead, zinc and silver. This undoubtedly had something to do with the particular weakness displayed by the lead and zinc quotations.

There was some buying support for lead, reportedly on behalf of producers. Even so, the cash lead price closed last night at £104.75 a ton, £3.375 lower than a week ago. Cash zinc was £2.625 lower at £131.50 a ton.

Copper prices have also ended the week slightly down with cash wirebars at £452.75 a ton, £1.75 lower, while wirebars for delivery in three months were at £462.75, £2 lower than a week ago.



The week brought fresh news of production and labour difficulties in Chile's copper mines, but the market displayed little interest. The unusually small amount of business that did take place was in response to the currency situation and, later in the week, to the price trend on the New York market.

The New York Commodity Exchange (Comex) which deals among other things in copper and silver, stayed closed until Thursday, pending clarification of President Nixon's price freeze policy. In the event, the copper and silver markets are to have price ceilings of 65.8 cents a pound and $1.79 an ounce respectively for the duration of the freeze. These compare with present prices of around 52 cents a pound for copper and $1.60 an ounce for silver.

Price ceilings will apparently also operate for other semi-processed commodities, including the Soyabean meal and oil and frozen orange juice futures markets. However two important basic commodities, wheat and maize, are not affected.

WEEKLY PRICE CHANGES

	Latest price per ton unless stated	Ch'ge on week	Year ago	1971 High	1971 Low
[illegible]					

MARKET REPORTS

BASE METALS

COPPER—Prices rallied on the London Metal Exchange, buying interest being stimulated by the firm tone in New York. Business was again subdued by the closure of the foreign exchange markets. The lack of exchange facilities for overseas dealers was considered a factor in the record level of warehouse stocks. Turnover 9,300 tons.

Henry Gardner and Co. reported that cash wirebars changed hands in the morning at £451.5, late-Aug. £452, early-Sept. £453, mid-Nov. £463, three months £463, 62, 61, 60.5, 61, 62, 61, 61.5. Cathodes: cash £441.5, 41, three months £451. Kerb: early-Sept. wirebars £454, three months £462, 62.5. Cathodes: nil. Afternoon: cash wirebars untraded, late-Oct. £460, three months £462, 63.5, 63, 62.5. Cathodes: cash £441, three months £451. Kerb: cash wirebars untraded, three months £462.5, 63. Cathodes: untraded.

COPPER	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Wirebars				
Cash	451.5-2	+4.5	452.5-3	+4
3 months	461.5-2	+4.5	462.5-3	+4
Settlem't	462	+4.5	—	—
Cathodes				
Cash	440.5-1	+5.25	441-.5	+3.5
3 months	450.5-1	+5	450.5-1.5	+5.25
Settlem't	441	+0	—	—
U.S. Smlt	—	......	*52.75-53	—

TIN—Cash selling on a fair scale—possibly linked with currency considerations—was absorbed by buying suspected to be on behalf of the Buffer Stock. Turnover, 1,060 tons.

Morning: cash £1,410, 9, 8, 7, early-Oct. £1,417, three months £1,421, 20, 19, 18. Kerb: cash untraded, three months £1,417. Afternoon: cash £1,408, 10, three months £1,417, 18, 19, 20. Kerb: cash untraded, three months £1,420, 21.

TIN	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Cash	1407-8	—5	1410 12	+.5
3 months	1417-18	—4	1420 1	—4
S'ment	1408	—5	—	—

Mid-Oct. 66.0p. Afternoon: Three months 66.3p, 62p. Kerb: Three months 66.2p.

COCONUT OIL

Quiet and untraded, reports G. W. Joynson. Close: Sept. £125-£129 (same), Nov. £123-£128 (same), Jan. £121-£127 (same), March £120-£125 (same), May £119-£124 (same), July £117-£122 (same), Sept. £120-£123 (same). Turnover 0 (0) lots of 20 tons each. Price basis ex-tank Rotterdam.

COCOA

The market drifted in quiet conditions to close barely steady near the day's lows, reports Gill and Duffus.

COCOA	Yesterday's Close	+ or —	Business Done
No2Contract			
September	840.0-0.0	—2.0	240.0-3.0
December	245.5-7.0	—2.5	246.5 50.0
March	251.5-2.0	—2.0	251.0 5.0
May	254.5-5.0	—2.5	254.5-8.0
July	256.0-8.5	—2.5	262.0-9.5
September	262.0 2.0	—2.0	262.0-6.5
December	267.0-7.5	—1.5	—

Sales: 2,798 (3,374) lots of 5 tons each.

COFFEE

COFFEE	Yesterday's Close	+ or —	Business Done
	£ per ton		
September	375.0-0.5	—0.25	376 0.7.0
November	357.0-7.5	—1.0	357.5-8.0
January	352.5-5.0	....	353 0 4.5
March	347.5 8.0	—0.5	348.0-8.5
May	344.0-5.0	—1.25	345 0-7.0
July	342.0 2.5	—1.0	342 5-4.5
September	340.0-0.5	—0.5	340 5 2 5

Sales: 214 (204) lots of 5 tons each.

Latest published ICO indicator prices (U.S. cents per pound). Colombian Mild Arabicas 48.25 (same). Other Milds 45.63 (45.75). Unwashed Arabicas 42.00 (same). Robustas 42.07 (same). Daily average 43.67 (43.68).

COTTON

Unchanged, reports Eccles and Stern. (New pence per kilo)

COTTON	Yesterday's Close	+ or —	Business Done
[illegible]			

ing included a sulphur cargo from Vancouver to Santos at $9.80 f.i.o. for Sept.

OIL TANKERS—A little more activity but with rates generally unchanged. Socal took a 50,000-tonner on August 28 from Persian Gulf to Far East at Worldscale 57½ and the same rate was paid by Shell Houston for a 44,000-tonner on Aug. 24 from P.G. to U.S. Gulf.

SOYABEAN OIL

SUGAR

SUNFLOWER OIL

WOOL FUTURES

RUBBER

SILVER

FREIGHTS

JUTE

GRAINS

MEAT/VEGETABLES

FINANCIAL TIMES			
Aug. 20	Aug. 19	Month ago	Year ago
83.59	83.54	85.04	89.04

(Base, July 1, 1952=100)

REUTER'S

DOW JONES

MOODY'S

U.S. MARKETS

NEW YORK, August [illegible]

COMMODITY markets in general marked time pending further developments in regard to the international currency situation. The soyabean complex lead August liquidation with the spot month terminating on a strong note, [illegible] reports.

Cocoa—Bahia spot 28½ (same). Ghana spot 29½ (same). Sept. 25.49 (25.54), [illegible] 25.94 (25.95), March 26.43, May 26.75, [illegible] 27.08, Sept. 27.42, Dec. 27.75. Sales, 78[illegible]

Coffee—Santos No. 2 3 unquoted (same). Santos No. 4 42.50 asked (same). Colombian Mams 48.25 asked (same).

Copper—Sept. 51.50 (51.90), Oct. [illegible] (52.05), Dec. 52.25, Jan. 52.45 settlements. Sales, 1,083 lots.

Cotton—Contract No. 1 Nov. 24.00 (same), Jan. 24.50 bid (same), April [illegible] nom., June 22.00 nom. Contract No. [illegible] Oct. 30.95 (30.75-30.85), Dec. 31.51-[illegible] (31.47-31.50), March 32.44-32.45, May 3[illegible] 32.55, July 32.35-32.45, Oct. 30.10-30.20, [illegible] 29.80.

§§Cottonseed Oil—Sept. 17.03 bid (same), Oct. 16.60 bid (same), Dec. 16.25 [illegible] Jan. 16.25 bid, March 16.25 bid, May [illegible] bid, July 16.25 bid, Sept. 16.25 bid. Sales, nil.

Greasewool—Spot 50.0 nom. (same). Oct. 6.33-64.5 (63.2), Dec. 60.8-67.5 (67.8), March 72.3-73.0, May 72.8-73.3, 73.8-74.2, Oct. 74.6-76.0, Dec. 70.0-77.5.

††Lard—Chicago loose 11 nom. (same). N.Y. drummed 14 nom. (same).

††Maize—Sept. 125¾-125½ (125½), 122¼-122 (122¼-122¼), March 127½-127¼, 130, July 132¼.

‡Mercury—Suspended.

‡‡Silver—Spot 161.00 (160.80), 160.50 (159.90), Sept. 160.50 (160.30), 161.00 Dec. 164.20, Jan. 165.30, M[illegible] 167.60, May 169.90, July 172.20, Sept. 17[illegible] Dec. 178.60 settlements. Sales, 1,69[illegible]

*Soyabeans—Sept. 328½-329 (325½-3[illegible]) Nov. 325-324½ (324½-324½), Jan. 329¼ March 333¼, May 335½-336, July 336½.

Soyabean Meal—Sept. 80.80 (80.40), Oct. 80.50 (80.70-80.25), Nov. 8[illegible] 80.25, Dec. 80.30, Jan. 80.10-80.15, [illegible] 80.75-80.90, May 81.50-81.70, July [illegible] 82.70.

Soyabean Oil—Sept. 14.31-14.32 (14.10), Oct. 13.00-13.88 (13.76-13.79), [illegible] 13.60, Dec. 13.48-13.50, Jan. 11.38, M[illegible] 13.27-13.29, May 13.18, July 13.05-13.0[illegible]

Sugar—Contract No. 11 Spot 4.48 (same) [illegible]

LEEDS BANK 'TOPPED OUT'

Mr. Basil Chalk, regional executive director of the National Westminster Bank's eastern region, has "topped out" the bank's 10-storey office block at Park Row, Leeds. The £1,250,000 building will be complete in about 12 months' time. Construction is by Mowlem Yorkshire.

New brand of tea from J. Lyons

BY PAMELA JUDGE

J. LYONS is launching a new brand of tea called Silver Label. It is at the cheaper end of the £125m. market with a recommended price of 8½p a quarter. Some £1.2m. will be spent on advertising in the first year.

It is the first major brand to be introduced by any of the companies for about nine years, and it will be mainly competing against own brands, although there are a few other varieties in the cheaper sector which represents about 10 per cent. of the total market.

The object of Lyons' move is to build up its share of the total tea trade. The company has Red Label in the expensive sector. Popular teas at recommended prices of around 9½p such as PG Tips, Typhoo and Quick Brew account for 60 per cent. of all tea sales. There are also the dividend brands.

Silver Label is a quality tea, mainly Indian blend, and Lyons is able to offer it at the price by cutting out such marketing ploys as trading stamps, cards for collectors and dividends. At present, it is on sale in Scotland, Tyne-Tees and Anglia, and TV advertising is to begin on Monday. Distribution will be enlarged as acceptance of the new brand increases.

Scottish Equitable rate change

Scottish Equitable has announced a number of improvements to its rate on non-profit endowment assurance policies. The new rates take effect from Monday.

The society also announces the introduction of an alternative guarantee of its S.E. Funding pensions scheme introduced earlier this year and designed for employers wishing to provide benefits for 15 or more employees.

Improved rates are also now available under the Selected Benefits plan announced at the same time as the S.E. Funding in February, 1971.

Continued from Page 1

Disillusion in Brussels

Both the Benelux countries and Germany had made proposals for a return to fixed parities within the EEC, with the Six's currencies no longer tied to the dollar as in the past.

The parities were to be established at "a realistic level," but when it came down to talking about rates it was clear that the realignment required by such a move would involve an effective revaluation of the franc.

This the French were unwilling to admit, particularly after the statement issued in Paris the night before that the parity of the franc would be maintained.

If agreement had been reached at this point, it is possible that the Germans would have been prepared to swallow their well-known objections to the two-tier market system for transactions with the outside world, which had been recommended by the European Commission and the Community's Monetary Committee.

On condition, that is, that the fluctuation margins in the market for commercial transactions were wide enough to merit the description of a "controlled float."

The French, however, clearly had a much more restrictive view of the double-tier market than the other member-countries even as they have shown by their decision to-day, they were prepared to allow the franc to fluctuate freely for capital transactions.

M. Valery Giscard d'Estaing, the French Finance Minister, argued at the council meeting that the Six should not take any precipitate action and that any further moves should be carefully considered on the basis of how exchange markets behaved after their re-opening on Monday.

It was noted with some interest that Professor Karl Schiller, the German Economics and Finance Minister, was one of the participants who appeared the least put out by the negative result of the meeting.

He made no bones about his satisfaction that Germany had now been formally authorised to float the D-Mark, while this had merely been tolerated before.

Nor was he too pessimistic about the possibility of the Six reaching a joint position when they meet again in three weeks' time.

Mr. Anthony Barber, the Chancellor of the Exchequer, who met the Six for the second time in two days this morning, was also surprisingly ebullient.

It mattered little, apparently, that no joint decisions had been reached. What was important for Mr. Barber was that the Six had now shown that they would closely consult Britain on all moves in the monetary field, and indeed in other fields of common interest.

Mr. Barber described his meeting with the Six as "extremely useful and encouraging," and said that they had agreed on the closest contact in the future both on Ministerial and official level.

These contacts would cover both the immediate problems arising out of the reopening of the exchange markets as well as the more far-reaching problem of preparing for the forthcoming meeting of the IMF.

"It is a very good augury for our entry into the EEC," Mr. Barber said.

Little or nothing was heard at the Six's meeting of President Pompidou's proposal for a summit meeting on monetary problems of the Six and the four candidates for membership. Prof. Schiller said there had been no real discussion of the proposal, and that Germany, in any case, was not very keen on it.

He did not want to exclude the possibility altogether, but it had not yet been discussed with Herr Willy Brandt, the West German Chancellor, he said. In any event, Prof. Schiller could not see how such a Summit could take place between now and the IMF meeting.

Another matter which has not been discussed at all is what effect the decision by the Six to go their own ways in the monetary field will have on agricultural trade between them and on their common agricultural policy which is based on common prices equal to the official gold parity of the U.S. dollar.

The present view in Brussels, however, is that this is a purely technical matter which can be solved by such special devices as border taxes, which are already in operation following the D-Mark and guilder float.

SOUTH WALES ANTHRACITE FOR ANTARCTIC

A special consignment of 100 tons of anthracite from South Wales is being shipped to British bases in the Antarctic.

It will be a year's supply of fuel for 80 scientists, engineers and technologists carrying out the British Antarctic survey and who, according to a Coal Board spokesman, find the anthracite a convenient fuel for use in such circumstances because it does not deteriorate and "you can always dig it out of the snow."

'TEACH EVERY CHILD TO SWIM'

Parents should do their utmost to ensure that every child, as early as possible, has a chance to learn to swim, says Mr. Eldon Griffiths, Minister with special responsibility for sport.

Mr. Griffiths, Joint-Parliamentary Under-Secretary, Department of the Environment, said when opening the European Diving Cup Competition at Crystal Palace: "Every year, in the 19 countries represented here, literally thousands of people, especially young children, are drowned because they can't swim. This is waste as well as tragedy—unnecessary waste and folly."

This week's SE dealings

Friday, August 20	10,579	Wednesday, August 18	9,318	Monday, August 16	12,469
Thursday, August 19	10,058	Tuesday, August 17	11,916	Friday, August 13	11,590

The list below records all yesterday's markings and also the latest markings during the week of any share not dealt in yesterday. The latter can be distinguished by the date (in brackets).

The number of dealings marked in each section follows the name of the section. Unless otherwise denoted shares are £1 fully paid and stock £100 fully paid. Stock Exchange securities are quoted in pounds and fractions of pounds or in new pence and fractions of new pence.

The list below gives the prices at which bargains done by members of the London Stock Exchange have been recorded in the Stock Exchange Daily Official List. Members are not obliged to mark bargains, except in special cases, and the list cannot, therefore, be regarded as a complete record of prices at which business has been done. Bargains are recorded in the Official List up to 2.15 p.m. only, but later transactions can be included in the following day's Official List. No indication is available as to whether a bargain represents a sale or purchase by members of the public. Markings are not necessarily in order of execution, and only one bargain in any one security at any one price is recorded.

‡ Bargains at Special Prices. Δ Bargains done with or between non-members. ♠ Bargains done previous day. § Bargains done with members of a recognised Stock Exchange. ♣ Bargains done for Delayed Delivery or "no buying-in." $A—$Australian; $B—$Bahamian; $C—$Canadian; $HK—$Hong Kong; $J—$Jamaican; $Ma—$Malayan; $Mc—$Mexican; $NZ—$New Zealand; $S—$Singapore; $US—$United States; $WI—$West Indies.

BRITISH FUNDS, ETC. (831)

[illegible]

CORPN. STKS.—FOREIGN (2)

Bahu 5pcLn. ¼. Moscow 4½pcLn. ⅛. Pernambuco 5pcBds. 40. Port of Para 5½pcBds. 19 (17/8)

U.K. AND COMMONWEALTH RAILWAYS (9)

FOREIGN RAILWAYS (2)

BANKS & DISCOUNT COS. (417)

INTERNATIONAL BANK STOCK (3)

CORPN. & COUNTY—U.K. (136)

PUBLIC BOARDS, ETC.—U.K. (13)

COMMONWEALTH GOVT. AND PROVINCIAL SECURITIES (83)

COMMONWEALTH CORPN. STOCKS (—)

FOREIGN STKS., BDS., ETC. (2)

BREWERIES & DISTILLS. (368)

CANALS & DOCKS (6)

COMMERCIAL, INDUSTRIAL (5,968)

A—B

C—D

E—F

G—H

I—J—K

[illegible]

Intl. Pub. Con. 3½pcDb. 1974-76 92¼ ¾. 2¼pcDb. 1983-88 47½ (17/8). 8½pc Db 1974-78 98 2½. 6½pcDb. 1983-83 67¼ (18/8). 4½pcLn. 30½⊕ 7½ 8. 9pc Ln. 75½⊕ 8½
Interni. Stores (25p) 73 2½ 3½ 2 1 ½ 3½ 69½ 72½ 4. 4¼pc8Pf. 35 (17/6). 4½pcUns.Ln. 46½ (19/8). 8¼pcUns.Ln. 87½⊕. 7¾pcUns Ln 78 ½ (19/8)
Interni. Timber Con. (25p) 145 1 3. 18pc Conv.Uns.Ln. 114⊕ 14
Intnl. Time Recording Hldgs. (25p) 1)1⊕
Interni. Utilities Con. Shs. Cpm. ($US2.50) £19¾ (19/8)
Inveresk Paper (50p) 26½ 7 ¾. 6pc2ndPf. (25p) 8 (16/8)
Isle of Man Holiday Centre (28p) 21⊕. 8¼pcConv.Uns.Dbs. ($US100) £52½

Jacks (William) (25p) 14 13¾
Jackson Steeple (18p) 31 (16/8)
Jackson (J. H. B.) (5p) 21⊕ 19
Jacksons' Bourne End (25p) 40⊕ (19/6)
James (John) Grp Cos. (25p) 32⊕
James (Maurice) Hldgs. (18p) 45⊕
Janes (H. C.) (25p) 87⊕ 8 5 (19/8)
Jenkin Purser (Hldgs.) (5p) 19½⊕
Jenkins (Tador) 39½ 40½ 40
Jentique Hldgs. (3p) 18
Jessups (Hldgs.) (18p) 23¼ (16/8)
Jeyes Grp. (25p) 92⊕ 2
Johnson Barnes (12½p) 38 (19/8)
Johnson (C. H.) Sons (25p) 26⊕ 5½⊕ 7⊕
Johnson Construction Equip. Grp. (25p) 12 (18/8)
Johnson Grp. Cleaners (25p) 54½⊕ 3½
Johnson Matthey 271⊕ 2⊕ 7⊕ 2 1. 7¼pc Db. 79½ (16/8)
Johnson Richards (H. R.) Tiles (50p) 324
Johnson (Richard) Nephew 8½pcConv.Uns. Ln. 135⊕ 8½ 6 (19/8)
Johnsons—H.P.L. (25p) 23 (19/8)
Johnstone (W. F.) (R0.50) 81 (16/8)
Joncraig Hldgs. (5p) 8¼ (19/6)
Jones (A. A.) Shipman (25p) 180 (19/8)
Jones (Edward) (Contractors) (10p) 25
Jones Stroud (Hldgs.) (25p) 139⊕ 6½ 7
Judge (Interni. (25p) 72⊕ 1⊕. 7½pcConv. Uns Ln. 71½ (19/8)
Jute Inds. (Hldgs.) (56p) 39⊕ 48½⊕ 39. 7½pcUns Ln. 49

K Shoes (50p) 190
K M P H Ltd. (10p) 9⊕ 1 4 (17/8)

Milln Marsters Grp. (50p) 116 (17/8)
Mining Supplies (10p) 164 (18/8)
Mint Birmingham (25p) 74⊕
Mitchell Construction Hldgs. (25p) 257
Mitchell Cotts Grp. (25p) 42⊕ 1¼. 5½pc Pf. 43⊕ (16/8). 7½pcLn. 82½
Mitchell Somers (10p) 28 (16/8)
Mixconcrete (Hldgs.) (25p) 102½⊕ 1½⊕ 3. 7½pcLn. 56 (19/8)
Modern Engrs. of Bristol (Hldgs.) (25p) 41⊕ (19/8)
Mole (M.) San (20p) 36
Monk (A.) (25p) 90⊕. 5½pcPf. 70 (16/8)
Mono Containers (25p) 91 (19/8)
Monotype Con. 137½
Monsanto Textiles 5pcLn. 58½ (17/8). 5pc Stg.Ln. 83½ 4½
Montfort (Knitting Mills) (25p) 60 58
Moore (W.) Osborne (Hldgs.) (20p) 4½ (18/8)
Moores Stores (25p) 28. 6½pcPf. 43½ 3½ (19/8)
Morgan Crucible (25p) 133 4 2 (19/8). 5pc2ndPf. 42 1¾ (7/8). 5¼pcLn. 43½
Morgan Edwards (10p) 38 (19/8)
Morgan-Grampian (25p) 120⊕ 10
Morris Blakey Wall Papers A (25p) 87 (17/8)
Morris and D. Jones (25p) 85⊕
Morris (Herbert) (50p) 37½ 7 6½ (19/8). 5pcPf. 28 50 (17/8)
Moss Eng. Co. (25p) 88 5½ (16/8)
Moss (R.) (10p) 143 7 (19/8)
Mount Charlotte Invs. (10p) 15 16½ 16 15½ 16½
Movitex (10p) 45 (19/8)
Mowlem (J.) (25p) 112 ½ 13
Muirhead (25p) 52½⊕ 1⊕ 50
Murray (D. and W.) (25p) 276. 5pcPf. (50p) 21 (17/8)
Musical Plastic Inds. (5p) 11½⊕ ½ ¼
Myson Gp. (10p) 155⊕ 5

N—O—P

NSS Newsagents New (10p) 78
Nairn Williamson (Hldgs.) 110⊕ 12 10 11 13. 6pcPf. 51½⊕ 50½⊕ 1
Nathan (B. and I.) (23p) 58½⊕ (10/8)
National Carbonising (16p) 189⊕. 11¼pc Ln. 104⊕
Nat. Cash Register 4pcLn. 78 (18/8)

Guardian Props. (Hldgs.) (25p) 87 ½
Guildhall Property (25p) 54 (17/8)
Hallmark Securities 8¾pcLn. 68½⊕ (19/8)
Hammerson Property Inv. Tst. (25p) 486 5 (18/8). A 485
Haslemere Estates (10p) 117⊕ 17 (6½ 18½). 5pcLn 185 (18/8)
Heron Holdings 10¼pcDb. (Iss. at par £25 pd.) 29½⊕ (19/8)
House Property of London (50p) 107 (17/8)
Imry Property Hldgs (25p) 2(9⊕
Investment Co. (25p) 57 (19/6)
Jermyn Invest. (25p) 47
Kay-Bevan (5p) 18 (19/8)
Kennings Estates 5½pcPf. 48 (17/8)
Land General A Non-V(g. (5p) 22 ¾ (19/8)
Land House Property (56p) 128 (16/8)
Land Investors (25p) 122⊕ 4
Land Securities (50p) 191½⊕ 50 ½ 6 5. 6pc Db. 1979-82 78 (19/8). 6pc Db. 1988-92 67½ (19/8). 6¼pcDb. 77 (16/8). 7¼pcDb. 78¾⊕ ¾. 6¾pcUns.Ln. 70½ 70 (17/8). 8½pcUns.Ln. 86¾⊕ 8½⊕ 80 7¼ 6¼ 6¾ 6 ½. New 8½pcUns. Ln. 88½ (17/8). 4pcUns.Ln. 151 ½. 5¼pcUns.Ln. 152½⊕ 1½. 6¼pc Uns.Ln. 138½⊕ 4½⊕ 2

Calcutta 4½pcDb. 36 (17/8)
City Buenos Aires Trams 58 (18/8)
Ewer (George) (10p) 14½ 15
Lancashire United Transport 88 96 8[illegible]
Lisbon Electric Tramways 187 (18/8)

WATERWORKS (12)

Bristol 7pcMax 63 (13/8). 5pcPf. 4[illegible] (19/8). 7pcDb. 79¼ (19/8)
Cambridge 5pcCons. 46 (16/8). 5pcP[illegible] (18/8)
Colne Valley 7pc 64 (16/8)
Eastbourne 10½pcDb. (f.p.) 102⊕ (Iss. at 99pc. 25 pd.) 27½⊕ 8¼ 9¼
Essex 5pc 45⊕ (19/8). 5pcPf. 45 (19[illegible] 5½pcPf 1986-88 62½ (16/8). 5pc 1986-91 53½⊕. 7pcDb. 1987-89 (16/8)
Hartlepools Water 5pc 46 (16/8)
Lee Valley Water 6pcPf. 68½⊕
Mid Kent Water 5pcPf. 44½ (17/8). Db. 72 (16/8) 7½pcDb. 76 (18/8)
Mid-Southern Water 7pcDb. 1986-88 (18/8)
Mid-Sussex Water 64 (16/8)
Newcastle and Gateshead Water 4p[illegible] 27 (16/8)

SHARE INFORMATION SERVICE: NOTES

The following Notes relate to Share Information Service:—

Denominations are 25p unless otherwise indicated.

Yields allow for value of declared distributions and rights and are based on middle prices.

Estimated price-earnings ratios and "times covered" are based on corporation tax of 40 per cent. and exclude transitional relief.

* Highs and lows marked thus have been adjusted to allow for rights issues for cash.

† Interim (or quarterly) since increased or resumed.

‡ Interim (or quarterly) since reduced, passed or deferred.

⊕ Figures or report awaited.

†† Banks and Insurances: reserve allocations may preclude calculations of dividend cover.

a Tax free. b Figures based on prospectus or other official estimate. c Cents. d Dividend rate paid or payable on part of capital, cover based on dividend on full capital. e Redemption yield. f Flat yield. g Assumed dividend and yield. h Assumed dividend and yield after scrip issue. j Payment from capital sources. k After local taxes. m Interim higher than previous total. n Rights issue pending. p Pence except where otherwise indicated. q Earnings based on preliminary figures. r Australian currency. s Dividends and yield exclude a special payment. t Indicated dividend; cover relates to previous dividend, p/e ratio based on latest available earnings. u Forecast dividend: cover based on previous year's earnings. v Tax-free up to 6s in the £. w Yields allow for currency clause. y Dividend and yield based on merger terms. z Dividends and yield include a special payment: cover does not apply to special payment.

A Net dividend and yield. B Preference dividend passed or deferred. C Canadian. D Figures based on prospectus or other official estimates for 1971-72. E Figures based on prospectus or other official estimates for 1970. G Assumed dividend and yield after pending scrip and/or rights issue. H Excluding refunds of U.S. Capital Gains Tax. J Figures based on prospectus or other official estimates for 1971. M Figures based on prospectus or other official estimates for 1970-71. N Equivalent rate before additional capital was paid up. P Figures based on prospectus or other official estimates for [illegible] S Yields based on 1967 payments. T Figures assumed. U No significant Corporation Tax payable. Z Dividend total to date.

Price at time of suspension.

Indicated dividend after pending scrip and/or rights issue: cover relates to previous dividend or forecast.

Δ Indicates interim dividend, since [illegible] where none was paid before.

Convertible loan stock [illegible] existence.

Merger bid or reorganisation in progress.

Special deposit certificates.

Same interim: reduced final and reduced earnings indicated.

Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividend.

Assumes all equity capital ranking for dividends.

Cover does not allow for shares which may also rank for dividend at a future date. No p/e ratio usually provided.

Excluding a final dividend declaration.

Provincial quotations.

No par value.

Abbreviations: xd ex dividend; xc ex scrip issue; xr ex rights; xrc ex [illegible] of capital; xa ex all; xdr ex drawing; xcd ex capital distribution; xpb ex [illegible] bid.

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F.T.—ACTUARIES SHARE INDICES

These indices are the joint compilation of The Financial Times, The Institute of Actuaries and the Faculty of Actuaries in Edinburgh

	EQUITY GROUPS — GROUPS & SUB-SECTIONS (Figures in parentheses after sectional names show number of stocks)	Friday, August 20, 1971 Index No.	Day's Change %	Est. Earnings yield % (With 40% Corporation Tax)	Est. Price/Earnings Ratio	Div. yield %	Thurs. August 19 Index No.	Wed. August 18 Index No.	Tuesday August 17 Index No.	Mon. August 16 Index No.	Year ago (approx.) Index No.	1971 High	1971 Low	Since compilation High	Since compilation Low
1	CAPITAL GOODS GROUP (184)	154.44	−0.5	6.10	16.38	3.85	153.74	153.71	155.83	156.09	118.47	158.62	104.08	191.50	92.82
2	Aircraft and Components (3)	110.81	+2.2	7.38	13.53	5.63	109.42	108.11	109.52	115.88	95.86	118.52	66.40	980.12	66.40
3	Building Materials (29)	166.38	+0.1	5.05	19.90	3.43	155.39	135.20	155.55	156.41	98.49	157.94	98.50	167.98	86.01
4	Contracting and Construction (19)	231.57	—	5.90	16.94	6.60	231.66	232.61	235.14	234.70	191.06	236.36	152.53	236.36	84.39
5	Electrls. (ex. Electrn. Rad. & TV) (13)	278.49	+1.7	3.06	19.77	2.86	273.71	271.80	270.30	274.70	199.12	295.44	174.23	335.11	84.71
6	Engineering (80)	145.45	+0.8	6.68	14.86	4.35	143.18	145.31	143.55	144.38	115.12	149.29	102.56	160.85	82.80
7	Machine Tools (15)	66.73	+0.9	7.34	13.62	6.16	65.43	65.77	65.82	66.92	65.82	68.30	45.86	136.70	43.86
8	Miscellaneous (25)	126.39	−0.5	8.09	12.36	4.55	127.01	127.84	128.38	128.32	114.59	154.65	94.16	144.27	62.01
9	CONSUMER GOODS (DURABLE) GROUP (56)	168.49	+0.1	5.25	19.06	3.09	168.82	168.24	168.46	170.49	129.06	173.85	117.33	197.87	79.96
10	Electronics, Radio and TV (14)	179.73	—	5.65	17.75	2.44	178.70	176.05	178.55	180.13	144.49	180.45	128.51	199.86	71.10
11	Household Goods (15)	184.77	—	6.54	15.79	3.58	184.81	184.63	186.48	188.71	122.88	199.00	115.99	186.00	86.65
12	Motors and Distributors (27)	114.05	+0.9	4.45	28.47	3.74	113.80	114.28	114.86	116.90	85.47	120.53	78.81	170.58	76.82
13	CONSUMER GOODS (NON-DURABLE) GROUP (175)	160.68	+0.7	5.60	17.87	3.78	158.60	159.52	160.58	161.25	116.38	164.69	119.17	164.68	83.71
14	Breweries (21)	184.62	+0.6	5.41	18.50	3.44	183.70	184.32	185.19	185.03	119.47	194.87	193.30	194.97	80.39
15	Wines and Spirits (7)	170.06	−9.1	6.13	16.30	4.19	166.55	196.03	167.66	169.04	143.86	186.05	142.41	196.06	119.79
16	Entertainment and Catering (15)	199.01	+0.1	7.19	13.91	5.90	198.85	198.89	201.60	205.49	168.52	214.59	177.99	251.86	80.11
17	Food Manufacturing (24)	141.26	+0.5	5.79	17.48	3.85	140.60	141.56	142.98	144.01	104.71	144.01	99.74	171.54	86.98
18	Food Retailing (17)	140.99	+0.8	5.58	18.58	5.60	140.04	140.33	141.06	146.50	97.56	142.81	100.23	163.68	94.62
19	Newspapers and Publishing (15)	141.44	−0.2	6.07	16.47	5.05	141.73	140.69	141.12	141.87	106.59	142.38	101.66	184.88	91.74
20	Packaging and Paper (16)	116.81	+0.9	6.69	16.11	4.44	115.75	115.53	115.49	115.75	101.52	120.10	88.81	134.65	97.91
21	Stores (30)	153.22	+0.7	4.44	22.55	5.03	152.69	132.18	152.84	152.94	100.55	160.64	104.48	160.64	72.74
22	Textiles (21)	175.32	+1.4	6.69	17.58	5.91	170.86	168.71	170.36	171.88	131.82	177.77	137.81	255.79	89.90
23	Tobacco (3)	255.99	+0.6	8.10	10.99	3.68	232.49	259.53	233.86	236.04	169.17	254.47	170.92	305.02	94.34
24	Toys and Games (6)	45.49	+0.9	0.88	113.87	3.29	43.05	49.80	49.55	50.34	53.89	69.05	45.05	153.72	45.05
	OTHER GROUPS														
	Chemicals (19)	189.89	+1.0	5.31	18.85	5.47	188.03	186.00	187.98	188.66	137.76	185.39	158.18	201.82	83.29
	Office Equipment (10)	194.19	−0.4	5.60	27.77	1.54	193.01	199.58	205.80	204.08	150.61	212.05	163.52	218.05	109.12
	Shipping (10)	315.68	−0.9	7.51	13.31	6.23	314.86	316.28	315.59	318.67	326.55	325.75	269.76	355.44	90.80
	Miscellaneous (unclassified) (44)	181.43	+0.3	5.92	16.90	3.90	180.44	179.64	180.55	180.77	128.80	190.55	129.65	190.35	76.52
	INDUSTRIAL GROUP (498 SHARES)	166.86	+0.6	3.62	17.80	3.64	166.75	165.55	166.52	167.55	—	170.96	120.61	170.96	120.61
	Oil (2)	557.09	−1.0	6.01	16.66	5.72	540.57	353.30	540.78	354.49	274.79	565.50	260.74	431.66	87.23
	500 SHARE INDEX	181.16	+0.5	5.68	17.61	3.66	180.60	179.83	181.55	185.59	136.03	187.27	132.46	195.73	84.86
	FINANCIAL GROUP (121)	172.81	+0.7	—	—	9.76	171.67	171.36	171.54	172.49	109.90	173.44	119.72	173.44	69.58
	Banks (6)	187.89	+1.7	7.54	13.68	2.70	184.81	185.79	189.89	183.83	101.74	189.94	101.66	189.94	69.86
	Discount Houses (6)	177.84	+1.4	—	—	4.34	175.32	179.22	174.26	174.07	119.13	177.84	130.72	177.84	87.65
	Hire Purchase (6)	269.44	+8.8	4.64	21.54	6.84	292.05	260.09	260.02	238.02	166.63	269.44	188.57	268.44	80.02
	Insurance (Life) (9)	150.94	−0.4	—	—	6.87	151.47	198.61	152.71	155.97	115.82	155.47	123.16	159.85	61.53
	Insurance (Composite) (9)	132.66	+0.8	—	—	3.22	131.61	130.23	129.86	131.85	80.60	134.50	89.80	134.50	54.40
	Insurance (Brokers) (11)	166.03	−0.2	3.34	18.73	2.62	166.36	166.31	168.65	179.86	101.29	178.09	118.27	179.09	92.59
	Investment Trusts (20)	194.68	−0.3	2.89	34.28	2.72	195.07	196.67	196.60	195.61	143.20	198.14	132.16	215.04	80.84
	Merchant Banks, Issuing Houses (14)	168.25	—	—	—	2.30	168.31	167.58	169.08	170.86	113.63	173.43	108.44	181.25	60.47
	Property (31)	220.36	+0.5	2.64	37.91	2.16	218.31	219.41	281.30	291.16	158.54	221.30	139.37	281.30	56.01
	Miscellaneous (9)	168.49	+0.4	6.05	16.62	4.41	167.78	168.81	170.75	171.41	—	179.01	120.73	179.01	120.06
	ALL-SHARE INDEX (621 SHARES)	178.98	+0.4	—	—	3.44	178.28	177.62	178.79	180.58	129.51	183.66	129.47	183.69	84.72
	COMMODITY SHARE GROUPS (Not included in the 500 or All-Share indices)														
	Rubbers (10)	217.84	−0.6	10.50	8.52	8.12	218.86	218.81	218.84	223.81	139.69	234.12	163.62	234.12	84.68
	Teas (10)	90.57	+0.4	16.41	6.09	8.87	90.16	90.16	89.86	89.74	73.78	91.08	78.71	114.64	68.96
	Coppers (4)	327.69	−0.5	54.17	1.85	16.08	329.23	328.44	327.93	329.18	272.98	360.50	255.80	350.50	84.08
	Mining Finance (11)	94.26	−1.4	6.01	16.65	3.62	95.63	98.38	99.47	102.81	117.57	106.78	94.26	175.90	94.26
	Tins (8)	72.74	−0.2	10.91	9.16	8.63	72.86	72.86	78.74	78.44	59.18	74.77	68.11	108.97	64.85

FIXED INTEREST	Friday, August 20 Index No.	Yield %	Thurs. August 19	Wed. August 18	Tuesday August 17	Monday August 16	Friday August 13	Thurs. August 12	Year ago (approx.)	1971 High	1971 Low	Since Compilation High	Since Compilation Low
Consols 2½% yield	—	9.11	9.15	9.15	9.15	9.19	9.18	9.29	9.24	—	—	—	—
20-yr. Govt. Stocks (6)	79.70	8.16	79.61	79.63	79.65	79.55	78.47	78.84	73.53	80.68	70.60	115.42	68.43
20-yr. Red. Debentures & Loans (15)	72.54	10.18	72.48	72.43	78.31	72.24	78.24	72.03	71.03	72.54	68.42	113.43	66.68
Investment Trusts Prefs. (15)	70.01	10.66	70.01	70.01	70.01	68.85	68.85	88.85	71.67	70.01	66.23	114.41	66.83
Commercial and Industl. Prefs. (20)	74.17	10.41	74.14	74.12	74.14	74.16	74.25	74.09	75.52	74.43	69.02	114.41	68.09

Section or Group	Base Date	Base Value
[..] Manufacturing	29/12/67	114.13
[..] Retailing	29/12/67	114.13
[..]ance Brokers	29/12/67	96.67
[..]g Finance	29/12/67	100.00
[..]s and Spirits	16/1/70	144.76
[..] and Games	16/1/70	135.72
[..] Equipment	16/1/70	162.74
[..]strial Group	31/12/70	128.20
[..]llaneous Financial	31/12/70	120.06
[..]ther	10/4/62	100.00

[..] Redemption yield.

F.T.-Actuaries indices are calculated by Extel-Communications Limited (a member of the Exchange Telegraph Group) on an IBM 360 computer.

A current list of constituents of the F.T.-Actuaries Share Indices can be obtained from the Publisher, the Financial Times, Bracken House, Cannon Street, London, EC4P 4BY, price 13p. By post inland 16p. Commonwealth 16p. Foreign 19p.

CONSTITUENT CHANGES: Myers (J.) (Stores) has been replaced by Peters (J.) (Furnishings) and Singer and Friedlander (Merchant Banks) has been replaced by Matthews Wrightson (Insurance Brokers). Lines Bros. has been replaced by M.Y. Dart (Toys and Games).

[..]sworth and Uxbridge Valley Water [..] 78 (17/8)
[..]ks and Tonbridge Water 45 (16/8)
[..] 340 (19/8)
[..]shire W.W. 5pc 47 (16/8). 5pc [..] 4 (16/8). 6pcPf. 65 (16/8)
[..] 72½ (19/8). 4pcDb. 35 (16/8)
[..] Hundred Waterworks 4pcPf. 320
[..] and Dist Water 4pcDb. 36 (18/8)
[..] and East Denbighshire Water [..] (16/8)
[illegible]

[SP]ECIAL LIST

[illegible]

[R]ULE 163 (1) (e)

[illegible]

Myer Emporium 105
Mogul Mines 4½
Mid Eastern Oil 38
Nielsen (A. C.) Class A £19½
N.S.W. Oil Gas 16½ 17 18 17½ 18½
Nicholas International 33½
Northern Mining 170 15½
New Metal 6½ 5½ 5
Oil Search 18
Pan Continental 48 8
Peko Wallsend 35 20 52 65
Poseidon £5 10
[illegible]

AUGUST 19

[illegible]

Vultan Minerals 270 7
Whim Creek 212 8 9 8½ 14 7½
Xerox Corp. £59½

AUGUST 18

American S.A. Invest. £20
Aldringer Trust 26
Amoco 5½pc 1984 $US99¾ ½
Aust. Kandos Cement 43½
Bank of Adelaide 103½
British Controlled Oilfields 9
[illegible]
Greenvale Mines 1½
Hetron 37
Hartog Oil 2½
Intnl. Bank for Reconstruction Dev. 5¼pc 1090 $C83 ½
Imperial Oil £13½
I.C.I. (Aust. N.Z.) 66
Jones Mng. 150
Jennings (A. V.) 73½
Kansas City Power Light £10¾
Keap Kimeno 44
Lalray Mins. 28
Long Island Lighting £110
Morris (Philip) (Aust.) 355
McCarthy Rodway 127½
Mellina Mines 23½
Magellan Petroleum 05
Norseman Gold 24
Pan Continental 53½ 500 10
Southern Rwy. £38¼
Silver Valley Minerals 18½
Tokyo Trust $US15. n.p.v. 725
Tri-Continental £13½ 130
(By permission of the Stock Exchange Council)

CORAL INDEX
Close 409½-414½

ERRATA

Adepton Ord 107½ should have been 103½ (18/8)
Richards Wallington 7½pcLn. 92 should have been 82 (17/8)
G.E.C. Elliott Automation 5¾pcDb. should have been marked 64½ (16/8)
Trust Houses Forte 7.25pcDb. 70 should have been to the 6.25pcDb. (18/8)
E.M.I. Ord. should not have been marked 147 (17/8)
Fisons Ord. 275 should have been 207.5 (19/8)
Brooke Bond Liebig 5½pcLn. 71 should have been to the 5½pcDb. (19/8)
Oxley Printing Gp. 6½pcPf. 48 should have been to the 6½pcLn. (10/8)
Grand Met. Hotels 7½pcLn. 70 should have been 79 (19/8)
N.M.C. Invests. 18 should have been 18½ (19/8)
London County 6pc 91½ should have been to Corpn. of London 6½pc (19/8)
Lines Bros. 22½ 3½ etc should have been 21½ 3½ etc (19/8)

Utd. Uranium 140. Do. (20 cents) 40
Utah Mining 175
West Aust. Worsted Woollens 14
Woolworth Hldgs. Ord. 190½. Do. A 100½ 90
West Coast Transmission £12⅝ ½

AUGUST 16

Australia 5½pc 1980 $US 79½ ¾
Australia 6pc 1986 $US104½ ¼
Apex Mines 230
[illegible]

AUGUST 17

[illegible]

RISES AND FALLS YESTERDAY

	Up	Down	Same
British Funds	34	—	12
Corpns. Dom. and Foreign Bonds	21	7	105
Industrials	292	368	1,111
Financial & Prop.	107	88	344
Oils	10	6	14
Plantations	5	9	73
Mines	8	65	108
Recent Issues	15	9	85
Totals	492	492	1,852

NEW 'HIGHS' AND 'LOWS' FOR 1971

The following securities (number in parentheses) among those quoted in London Closing Prices yesterday attained new "highs" and "lows" for 1971:—

NEW "HIGHS" (94)

BRITISH FUNDS (8)
Trans. 4pc '72-77 — Treas. 3½pc '79-81
Elect. 3½pc '76-79 — Treas. 8½pc '84-86
Treas. 3½pc '77-80 — Treas. 3½pc '87 'A'
Fundg. 5½pc '78-80 — Treas. 6¾pc '95-98

CORPORATION LOANS (1)
Birmingham 2½pc '69-71

BANKS (6)
Gerrard & Natl. — F.C. Finance
Nat. Com. Group — First National
Cattles Hldgs. — U.D.T.

BEERS (3)
Baird (Hugh) — Webster (S.)
City of Lon. Deld.

BUILDINGS (9)
Ashton (N. C.) — Kier (J. L.)
Douglas (R. M.) — London Brick
Fairview Estates — Smith Constructn.
Harris (M. P.) — Western Bros.
International Timber

CHEMICALS (1)
Yorks. Chem.

CINEMAS (1)
Grampian "A"

DRAPERY AND STORES (5)
Cornell Dresses — Henry (A. and S.)
Executex — Kitchen Taylor
Henriques (A.)

ELECTRICALS (2)
Dioham — United Scientific

ENGINEERING (6)
Clarke Chapman — Hill and Smith
Conner Inds. — Howden Group
Crown House — Staveley Inds.

FOODS (10)
Assoc. British Foods — Peek Wharn
Crosfields & Calthrop — Rakusen (L.)
[illegible]

INDUSTRIALS (11)
[illegible]

INSURANCE (1)

MOTORS (1)

NEWSPAPERS (1)

PAPER AND PRINTING (2)

PROPERTY (8)

SHOES (2)

SOUTH AFRICANS (1)

TEXTILES (1)

TRUSTS (10)

UTILITIES (1)

OILS (1)
Trinidad Canadian

TEAS (2)
Amalgamated — Williamson

NEW "LOWS" (33)

AMERICANS (2)
Continental Oil — Texaco

BANKS (2)
Aust. & N.Z. — Minster Assets
Bk. of N.S. Wales

STORES (1)
Lovda Retailers

INDUSTRIALS (3)
Ada (Halifax) — Bydand
Assoc. Leisure — Mettoy
Burnfoine & Forder

SHIPPING (1)
Reardon Smith

TEAS (1)
Longbourne

MINES (20)
Buffels. — M.I.M. Holdings
Libanon — New Broken Hill
West Wit. — North Broken Hill
F.S. Geduld — North Kalgurli
Pres. Brand — Nthrn. Mining
Consd. Gold Fields — Scamunder
Middle Wits. — Western Mining
Union Corpn. — St. Piran
Great Boulder — Charterhall
Hampton Areas — Northgate Exp.

MONEY + EXCHANGES

Large assistance required

Bank Rate 6% (April 1, 1971)

Credit was in short supply in the Discount market yesterday, and the authorities gave a very large amount of assistance, by buying Treasury bills from banks and Discount houses. Gilt-edged settlements were against the market's favour, as were a net Treasury bill take-up and an excess of revenue transfers to the Exchequer over Government disbursements.

A rate of 5¾ per cent. to 5¼ per cent. was paid for day-to-day loans for a good part, and late business was in a range of 5¾ per cent. to 6 per cent. At the Treasury bill tender, the Discount market syndicate lowered its agreed bid by 3p to £98.54, and with £220m. bills offered, and alloted, received a quota of 38 per cent. Three-month maturities were offered for sale subsequently at 5⅞ per cent. There was a corresponding rise in 3-month commercial bill buying rates in some, but not all, quarters.

In the inter-bank market, overnight loans commanded 5½-5¾ per cent. to start with, but touched 6¼ per cent. at one point, and ended around 5¾-6 per cent.

Aug. 20	Sterling certificates of deposit	Inter-bank	Local Authority deposits*	Local Auth. negotiable bonds	Finance house deposits	Inter-company rates	Discount market deposits	Treasury bills⊕	Bank bills⊕	Fine trade bills⊕
Overnight	—	5⅝-6⅛	5½-5¾	—	—	6¼-6⅛	4-6	—	—	—
2-days notice	—	—	6½-5¾	—	—	6¼-6½	—	—	—	—
17-days or 7-days notice	—	5⅝-5⅞	5⅝-5⅞	—	—	6¼-6½	4¼-5¾	—	—	—
One-month	[illegible]	[illegible]	[illegible]	5.75-5.50	[illegible]	[illegible]	—	—	—	—
Two-months	[illegible]	[illegible] 6	5¾-5⅞	5.80-5.50	[illegible]	[illegible]	—	[illegible]	5⅞-[illegible]	6¼-7⅛
Three-months	[illegible]	[illegible]	[illegible]	6.00-5.75	6⅛-6	[illegible]	—	[illegible]	5⅞-[illegible]	6¼-7¼
Six-months	[illegible]	[illegible]	[illegible]	6.25-6.00	[illegible]	[illegible]	—	—	5[illegible]	—
Nine-months	[illegible]	[illegible]	6¼-6⅝	6.56-6.25	[illegible]-7	[illegible]	—	—	—	—
One-year	[illegible]	[illegible]	[illegible]	6.40-6.50	6⅝-7¼	8	—	—	—	—
Two-years	[illegible]	7-7½	[illegible]	7.15-7.00	—	—	—	—	—	—

‡ Local authorities seven-days' notice, others seven-days' fixed. * Longer-term mortgage rates: three-years 7 11/16-7¾ per cent., four-years 7¾-8 per cent., and five-years 7 15/16-8¼ per cent. ⊕ Rates given are for buying. Selling rates for Treasury bills 5¾ per cent. or 5 25/32 per cent. for two-months and 5 15/16 per cent. for three-months; selling rates for bank bills and for trade bills unavailable.

Finance House Base Rate (published by the Finance Houses Association) 6½ per cent. from August 2.

EXCHANGES AND BULLION

The London foreign exchange market remained closed, but there were again dealings in centres abroad. The pound was quoted around $2.46½-2.47½ in early dealings in New York, with the 1-month pound at 15-25 cents premium, the 2-month at par—10 premium the 3-month at 10 discount to par, and the 6-month at 50-30 discount). an dbyth e late morning New York time was at about $2.4665-2.4700.

During dealings in Europe, leading Continental currencies were quoted in the following rough ranges: Dutch guilders at Fl.3.45-3.50 to the dollar, Belgian francs B.Frs.49.49½, German marks DM3.39-3.43, Italian lire Lr.600-615, Swedish kronor Kr.5.05-5.11, and Swiss francs Sw.Frs.3.96-4.01.

Closing New York rates showed a marginal gain for the pound against the dollar, and a modest gain for the Belgian franc against the dollar and the pound, but against leading Continental currencies in general the dollar was firmer. The Belgian franc was at Frs.48[..] to the dollar (from the previous Frs.49[..]), the Dutch guilder at Fl.3.48[..] (Fl.3.46[..]), the French franc at Fl.5.51[..] (Fl.5.47[..]), the German mark at DM3.42[..] (DM3.41½), and the Swiss franc at Frs.3.97 [..] (Frs.3.96½). Sterling improved to $2.4645 (from $2.4640). Canadian dollars also hardened a shade, to $C1.01[..] ($C1.01[..]).

Euro-dollar rates in London generally had a softer tendency, with the week-end rate easing from 5½ per cent. in the earlier part to about 5 per cent. by the close.

Gold was fixed at $43.30 an ounce in London both in the morning and in the afternoon. Conditions were fairly quiet, and the closing quotation was $43.20-$43.40, for a net loss of 5 cents. New sovereigns hardened slightly, to $10.85-11.00, from Thursday's $10.80-11.00, but new eased 10 cents to $13.00-13.50. Double Eagles gained $½ to $68½-69½. In Zurich, gold ended at $43.20-43.40, as in London, down 5 cents on the day. In Paris, the 12½-kilogramme gold bar was fixed Frs.10 an ounce higher at noon, at Frs.7,400 ($42.02), and rose to Frs.7,475 ($42.28) at the afternoon fixing.

FOREIGN EXCHANGES —AS AUGUST 13

Aug. 13 1971	Bank Rate %	Market Rates Day's Spread	Market Rates Close
New York	6	2.415¾-42	2.417⅞-42
Montreal	6¼	2.44¼-45	2.44[..]
Amst'dam	6½	8.29-59	8.56¼-57⅛
Brussels	6	119.90-121.15	120.00-10
Copenh'gn	7½	18.11-15½	18.11¼-12¼
Frankfurt	5	8.14-22	8.19¼-20¼
Lisbon	3¾	68.50-69.00	68.60-.90
Madrid	6½	167.95-168.25	168.05-15
Milan	5	1,500-33	1,500¾-01¼
Oslo	4½	17.14-16½	17.14½-15¼
Paris	6¾	13.32-55	13.35¼-5¾
Stockh'lm	6	12.46½-49	12.47½
Tokyo	5¼	862½-86½	862-865
Vienna	5	60.11-35	60.15-28
Zurich	3¾	9.75½-85½	9.81¼-82½

N.B. Rank of England official limits on U.S. $2.38-42. Δ Bank of Portugal discount rate. †† Basic discount rate.

OTHER MARKET RATES

Australia	2.1424-1511	Malaysia	[illegible]
N.Zealand	2.1567-1441	Argentina	11.52-11.42
S.Africa	1.7150-7201		[illegible]
India	[illegible]	Brazil	[illegible]
Pakistan	[illegible]		[illegible]
Ceylon	[illegible]	France	[illegible]
Hong Kong	[illegible]	W.G'm'y	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]

[illegible]

EXCHANGE CROSS-RATES

Aug. 20	Frankfurt	New York	Paris	Brussels	London	Amsterdam	Zurich
Frankfurt	—	3.41-42	62.30-50	—	8.38-37	—	—
N. York	29.14-13	—	18.12-16	2.05-06	2.4664-4666	28.65-75	25.17-16
Paris	14.28-44	43.05-25	6.89-9.00	—	—	14.02-19	12.22-42
Brussels	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
London	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Amst'dam	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Zurich	56.50-17/0	3.99-4.01	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

U.S. $ in Montreal 1.00½-1.01. Canadian $ in New York 0.9965-9985. Milan on New York —. Milan on London —.

EURO-CURRENCY INTEREST RATES ◆

Aug. 20	Sterling	U.S. dollar	Canadian dollar	Dutch guilder	W. German mark	Swiss franc
Short-term	—	—	—	—	5-5½	1¼-1
7-days' notice	—	—	—	—	5-5½	¼-1
Month	—	9-18	—	5	5½-5¾	1¼-1½
Three-months	—	8-9	—	4⅞	5½-5⅞	3-3½
Six-months	—	8-9	—	5½	5¼-5⅝	4½-4¾
One-year	—	7½-8½	—	5	5½-5⅞	5-5½

The following rates were quoted for London dollar certificates of deposit: one-month 9½-9¾ per cent., three-months 8¾-8¾ per cent., six-months 8¾-8¾ per cent., one-year 8½-7¾ per cent.

◆ All rates highly nominal.

‡ Short-term rates are call for Sterling, U.S. dollars and Canadian dollars, and two-days' notice for Guilders, Marks and Swiss francs.

FORWARD RATES

	One month	Three months
New York	[illegible]	[illegible]
Montreal	1¼c pm par	[illegible] pm
Amst'dam	3-2½ c. pm	7¼-6¾ c. pm
Brussels	110-90 c. pm	210-185 c. pm
Copenh'n	par 5 ore dis	3-8 ore dis
Frankfurt	2¼-1¾ pf. pm	5¼-4¾ pf pm
Lisbon	15 c. pm-05 dis	25 c. pm-05 dis
Milan	6-8 lire pm	10½-6½ lire pm
Oslo	13-8 ore pm	25-15 ore pm
Paris	7½-4½ c. pm	22-18 c. pm
Stockh'lm	par-1 ore dis	par-1 ore pm
Vienna	51-05 gro. pm	35-25 gro. pm
Zurich	7½-6¼ c. pm	14½-13½ c. pm

Option Report and three-month "Call" rates

OPTION DEALING DATES

First Dealings	Last Dealings	Last Declaration	For Settlement
Aug. 17	Aug. 31	Nov. 11	Nov. 23
Sept. 1	Sept. 13	Nov. 25	Dec. 7
Sept. 14	Sept. 27	Dec. 9	Dec. 21

Trading was quieter yesterday in the Option market. Stocks favoured for the "call" were Woodside Oil, Hampton Areas, Western Mining, Adepton, Anglo-Ecuadorian, Cannon St. Investments, British Petroleum, Lewston Developments, Avana Group, Fisons, Smith and Nephew, James North, Shell Transport, David Brown Pref., Leeds Assets, Elsburg, Barclay Securities, Woolworth and Glaxo.

"Puts" were taken out in Burmah Oil and BSA, while double options were completed in Associated Newspapers, Cannon St. Investments, Shell Transport and Armour Trust.

Prices in pence unless otherwise indicated.

Industrials						Mines	
A. P. Cement	18	G.U.S. "A"	22	Reed Intl.	12	Anglo Amer.	25
Barclays Bank	36	Guardian	14	Slater Walker	80	Broken Hill Prop.	12
Beecham	18	Guest Keen	20	Tesco	5	Charter Cons.	28
Boots Drug	11	Hawker Sidd.	20	Thorn 'A'	88	Charterhall Fin.	6
Bowaters	13	Hay's Wharf	21	Tube Invs.	86	Cons. Gold	20
B.A.T.	20	House of Fraser	17	Unilever	20	De Beers Def.	17
British Leyland	5	I.C.I.	15	Utd. Drapery	16	F. S. Geduld	52
British Oxygen	3	"Imps"	6	Vickers	7	Great Boulder	20
Burton "A"	16	I.C.L.	20	Woolworth	5	Hampton Areas	15
Butlin's	5	Int. Stores	7			Hampton Props.	9
[illegible]		Inveresk Paper	5	Property		Kloof	20
[illegible]		Jessel Secs.	25	Cap. Counties	19	[illegible]	10
Courtaulds	10	Lloyds Bank	30	[illegible]	7	[illegible]	3
Cunard	15	"Lots"	7	Star. (Gt. Brit.)	20	Metals Explor.	26
Debenhams	14	"Mams"	18	Town & City	12	Newmetal	5
Distillers	11	Marks & Spencer	18	Town & Comm.	14	Poseidon	£2½
Dunlop	13	Metal Box	22			Pres. Steyn	20
EMI	12	Midland Bank	35	Oils		Rio-T.Zinc	15
Fisons	19	Natl West Bank	35	Brit. Petroleum	36	Welkom	16
G.R.A. Trust	12	P.&O. Defd.	19	Burmah Oil	35	West Areas	9
Gen. Accident	12	Plessey	10	Oil Search	4	Western M'ng.	18
General Electric	9	Rank Intl.	11	Shell	25	Zambia Copper	7
Glaxo	25	Rank Org. "A"	47	Ultramar	24		

REGIONAL MARKETS

The Account closed on a brighter note in slightly increased activity yesterday.

Bank of Ireland gained another 5p to 375p on the Irish Exchange, where P. J. Carroll rose 4p to 66p and Merchants Warehousing added 5p at 160p. Cement Roadstone lost 4p to 61p and Silvermines shed 1p to 20p.

On the Midlands and Western SE, UBM at 136p and DRG at 157p each rose 1p, but F. J. Reeves were down 2p to 51p.

Coated Metals jumped 10p to 292½p, while AE Electronics 99½p, Graig Shipping 292p and David S. Smith 46p each put on 2p. But Stothert and Pitt lost 3p to 57½p. Aberthaw Cement 128½p and United Transport 108½p were each 1½p easier, while OP Chocolates 121½p and Reardon Smith 52p were each 1p lower.

Bryant improved 2½p to 37½p, as did Page Johnson "A" to 125p, but Sealed Motors fell 6½p to 141½p.

On the Northern Exchange, Evans of Leeds put on 4½p to 104½p, A. and S. Henry added another 2p at 72½p on the bid from UDS, but Grattan Warehouses eased another 2p to 256p. George Bassett further improved 2p to 110p but Northern Dairies were 1p off at 109p.

Kennings Motors lost 3p to 95p and Adams and Gibbon shed 1½p more to 34½p. Wilson Peck made one of their rare appearances and were marked 50p higher at £11.50. Northern Development, however, further declined 6½p to 234p in advance of the meeting. Barrow Hepburn and Gale were down 3p to 125½p, but Yorkshire Chemicals put on 6p to 228p.

Vaux and Associated Breweries shed 2½p to 330½p but C. G. S. B. Holdings were 1½p up at 34½p.

Ash Spinning dropped 6p to 28p, due to the closure of one of its mills, while Swan Lane Spinning eased 1p to 12p. Olives Paper marked at 39p, as did Bibby and Baron 40p, Associated Dairies 260½p, Fairbairn Lawson 15½p, Hargreaves Group 278p, Leeds Assets 127p and Readicut 45½p. C. and J. Hampton gained 3p to 67p but L. Gardner fell 7p to 163p.

On the Scottish S.E., Babcock and Wilcox rose 7p to 269p, Howden Group gained 3½p to 71p, while Distillers 151p and Nairn Williamson 113p each improved 2½p. Nat. Commercial Bank moved up 2p to 151p and John Brown added 1½p at 149p. Scottish Brewers eased 1p to 434p.

Prices in pence and denominations of 25p unless otherwise stated

BELFAST								
B'fast C3½ 1977	£96	.....	Graig Ship £1	292	+2	Heaton Wool 10p	5	.....
B'fast Rope £1	75	.....	Hal'm S'gh 10p	18½	+2	Higsons Brew.	118½	.....
Hughes (B) £1	150	.....	Hill (Charls) £	142½	.....	Hindsnall 20p	50	.....
Vulcanite	107	.....	Kleen-e-ze	47½	.....	Holt (Joseph) £1	500	.....
			Lovell's Ship £1	80	.....	Ingham 10 1 10p	105	.....
			Lye Tr'ding 10p	22½	.....	I.O.M. Stm. £1	186	.....
			Pearce C. H.	40	.....	Ketton Cem. £1	405	.....
			Penarth, Eng.	53	.....	L'pool Grain £1	100	.....
IRISH EXCHANGE			Siddall (Wm)	43	.....	Man. Canal £1	260	−½
[illegible]			[illegible]			[illegible]		
MIDLANDS & WESTERN			Bulme (T & J)	40	.....	Brunton (M)	83½	.....
			Bridgw'r Est 50p	165	.....	Clyde Paper	7	.....
			Brit. Nth'p (50p)	45	.....	Coltness Ind.	18	−½
B'ham Post A.	46½	.....	Burnett & H.	48	.....	Craig & Rose £1	182	.....
Castings 10p	89	.....	Bury Ring (20p)	6¾	.....	Dalm're White	32	.....
Clough (A) 5p	14	.....	Glover Croft	25	.....	Dykes	150	.....
Dunn (W. R.) 10p	10	.....	Cromer Ring £1	54	.....	Galloway (J)	6¾	.....
Econa (10p)	29½	.....	Dyson R.A. 'A'	40	.....	Hill & Wylie	31½	.....
Evans Frdk 10p	52	.....	Ellenroad	39	.....	Lees (JJ) 10p	25	.....
Evered	30	.....	Eng. Nat Inv. £1	49	.....	Mackinnon	73	.....
Fordham Hd 5p	48	+1½	Era Ring	18	.....	Morrison & G.	11¼	.....
Frost & Reed 50p	15[..]	.....	Gandy	52½	.....	Richards (5p)	18	.....
Gardiner £1	70	.....	Gardner (L)	163	−7	Scotcros	34½	.....
Gordon J. S.	1[..]	.....	Gaunt (Rid)	[..]2½	.....	United Wire	58½	.....

ACTIVE STOCKS

YESTERDAY—

Prices in pence except where otherwise indicated.

Stock	Denomination	No. of marks	Closing price	Change on day	1971 high	1971 low
Court Line	25p	17	135	+6	160	119
Imp. Chem. Inds.	£1	17	325	+4	330	230
Shell Transport	25p	15	390	+2	426	327
CAST	25p	13	178	−2	273	87
Brit. Petroleum	£1	12	587	+7	628	408
Cons. Gold Fields	25p	12	212	−10	285	212
Trust Hses. Forte	25p	12	125	+4	151	116
Courtaulds	25p	11	131	+5	136	107
De Beers Defd.	R0.05	11	198	—	258	198
GEC	25p	11	156	+1	160	90
Herbert (A.)	£1	11	58	+4	59	27
Rio Tinto-Zinc	25p	11	216	+1	270	210
Burmah Oil	£1	10	428	+2	477	297½
Drakes	20p	10	217	+9	222	74½
International Sts.	25p	10	73½	+4	73½	42½

The above list of active stocks is based on the number of bargains recorded yesterday in the Official list and under Rule 163(1)(e) and reproduced to-day in Stock Exchange dealings.

ON THE WEEK—

Stock	Denomination	No. of marks	Closing price	Change on week	1971 high	1971 low
Imp. Chem. Inds.	£1	105	325	−5	330	230
Shell Transport	25p	95	390	−21	426	327
Burmah	£1	81	428	−27	477	297½
Unilever	25p	80	325½	−12½	340	215
Brit. Petroleum	£1	74	587	−38	628	408
Cons. Gold Fields	25p	73	212	−40	285	212
Bovril	£1	64	442½	−32½	482½	172½
Rank Organ. "A"	25p	64	835	−14	960	667½
Star (G.B.)	30p	63	207	−6	217½	100½
Barclays Bank	£1	57	615	+3	618	327½
Courtaulds	25p	57	131	+1	136	107
Brit.-Am. Tobacco	25p	56	342	−11	391	265
Beecham	25p	55	322	−6	356	225
Midland Bank	£1	54	541	+7	552	287½
Reed International	£1	54	222	−1	236	121

Underground lift men may go on tape

Lift fitters on London's Underground may be going on tape to describe their working day in a bid to settle a work study dispute.

The dispute began in May when London Transport suggested putting a team of work study men alongside a fitter and his mate on top of the Underground station lifts. The fitters rejected the suggestion because they claimed the work-study men would fall off.

At a recent meeting in London, fitters accepted a London Transport suggestion to carry transistor tape recorders, so the work being done can be recorded and the tape studied later by the work study engineers.

New terms for Norwich Union bonds

NORWICH UNION is amending with immediate effect the terms for its G-plus Bonds, which produce a yearly income net of tax over any term from five to 10 years with full return of the capital at the end of the term.

The amendment relates solely to the income payable, which is marginally reduced for the 10-year bonds to 7 per cent. or more a year net for those paying income-tax at 38.75 per cent. (equivalent to about 11½ per cent. gross) and progressively reduced for the shorter terms to a minimum of over 6½ per cent. net (about 10½ per cent. gross) for five-year bonds.

F.T. SHARE INFORMATION SERVICE

BRITISH FUNDS

"Shorts" (Lives up to Five Years)

Five to Fifteen Years

Over Fifteen Years

Undated

INTERNATIONAL BANK

CORPORATION LOANS

COMMONWEALTH AND AFRICAN LOANS

PUBLIC BOARD AND OTHER LOANS

Corporation Short-dated Bonds

FOREIGN BONDS & RAILS

London U.S. Dollar and DM Issues

AMERICANS

S.E. List Premium

CANADIANS

S.E. List Premium

BANKS AND HIRE PURCHASE

†† Banks, etc.

Hire Purchase, etc.

BEERS, WINES AND SPIRITS

BUILDING INDUSTRY, TIMBER & ROADS

BUILDING INDUSTRY—Continued

CHEMICALS, PLASTICS, ETC.

CINEMAS, THEATRES AND TV

DRAPERY AND STORES

DRAPERY AND STORES—Continued

ELECTRICAL AND RADIO

ENGINEERING AND METAL

ENGINEERING AND METAL—General—Contd

FOOD, GROCERIES, ETC.

HOTELS AND CATERERS

HOTELS AND CATERERS—Continued

INDUSTRIALS (Miscell.)

"Recent Issues" and "Rights"

هكذا من الأصل

هكذا من الأصل

INDUSTRIAL (Miscell.)—Continued

1971 High	1971 Low	Stock	Closing Price pence	+ or −	Div. % or amount	Times covered	Gross yield %	P/E Ratio
81	46½	Inceledon Lamb.	56	......	18	1.4	6.7	10.5
30	20	Ind.C.Cl'us (10p)	22	−1	6	ф	2.7	ф
75	45	Initial Services.	66½	+½	19	1.4	5.6	13.0
285¼	285¼	Inter-City (20p)	283¼	......	45	1.0	6.6	29.5
175	103	IntCompnt'rs(1)	107	......	11	1.3	10.8	7.1
127	109½	Int. Time Rec.	110	......	20	2.4	4.6	10.4

†† INSURANCE

1971 High	1971 Low	Stock	Closing Price pence	+ or −	Div. % or amount	Times covered	Gross yield %	P/E Ratio
462	367½	Bowring (C.T.)	444	+2	38	2.6	2.1	18.2
100	53½	Brentnall Bd10p	94	......	34	1.7	3.6	16.6
228	180	Britannic 5p	258	......	165	—	3.2	—
480	320	Comm. Union	454	+2	61	—	3.4	—
438	271¼	Eagle Star (50p)	418	−6	24	—	2.9	—
280	250	Economic	250	......	45	—	4.5	—
290	273	Equity&Law(5p)	256	+3	110	—	8.2	—
302	210	Excess	244	......	36	—	3.6	—
96	62½	Fenchurch (10p)	90	+1	45	1.2	5.0	17.4
95	61½	Do. "A" (10p)	88	+1	45	1.2	6.1	17.0
191	115	Gen. Accident	190	+1	22	—	2.9	—
248	167	Guardian Royal	244	......	62	—	5.5	—
132	85½	Hammond (L.)	100	−16	20	ф	5.0	ф
217	111½	Heath (C.E.) 20p	202	+4	37	1.6	6.7	18.3

PROPERTY—Continued

1971 High	1971 Low	Stock	Closing Price pence	+ or −	Div. % or amount	Times covered	Gross yield %	P/E Ratio
143	95	Berkeley Prop.	124	......	13	1.7	3.1	18.8
154	104	Bradford Prop.	160	+8	26	1.6	4.5	14.6
143½	76½	British Land	130	−2	11	1.3	9.1	36.8
118¼	67½	Brixton Estate	112	......	12½	1.4	2.9	34.7
101	61	Capital & C'ties.	99	+5	10	—	2.6	—
175	105	Cent. & Dist. 50p	160	......	8	ф	3.0	ф
80	54½	Centrovinc'20p	77	−1	12½	1.9	3.5	15.7
80	54½	Do. Cap. 20p	77	......	—	—	—	—
77½	36½	Charlw'd Alc 10c	77½	+½	16	1.1	2.0	43.3
142	77	Chesterfield	136	......	14	1.1	2.6	36.1
95	60	Chown Secs.	89	......	12	9.3	3.5	12.6
200	125	Church'bry Est.	120	−2	99	1.2	3.8	21.9
59½	25½	City C'ntry 10p	58	+½	14	1.2	3.7	21.9

TEXTILES—WOOL

1971 High	1971 Low	Stock	Closing Price
78½	38	Allied Textile	[illegible]
41⅞	25	Blackwood M'rtn	[illegible]
46	35	Brit. Mohair	[illegible]
37½	36	Bulm'r L'mb20p	[illegible]
122	70	Carpets Int. 50p	[illegible]
57	15½	Crowther (J.)	[illegible]
40	28	Dixon (David)	[illegible]
31	22	Emsley (J.)	[illegible]
51½	26	Extract Wool 50p	[illegible]
38	28	Foster (John)	[illegible]
13	7½	Hield Bros. 5p	[illegible]
28⅞	18	Ill'n'M'lln'n20p	[illegible]
82½	67	Bountray	[illegible]
305	201½	Illing'orth M.20p	[illegible]

MACHINE TOOLS

MOTOR, AIRCRAFT TRADES

Motors and Cycles

Commercial Vehicles

Aircraft

Components

Garages and Distributors

NEWSPAPERS, PUBLISHERS

PAPER, PRINTING, ADVERTISING

PROPERTY

SHIPBUILDERS, REPAIRERS

SHIPPING

SHOES AND LEATHER

SOUTH AFRICANS

STEELS

TEXTILES—GENERAL

TOBACCOS

TRUSTS, FINANCE, LAND

Investment Trusts

TRUSTS, FINANCE, LAND—Continued

Finance, Land, etc.

OILS

UTILITIES

RUBBERS—MALAYSIAN

RUBBERS—MISCELLANEOUS

SISAL

TEAS

India and Pakistan

TEAS—Continued

Ceylon—

MINES—CENTRAL RAND

EASTERN RAND

FAR WEST RAND

O.F.S.

FINANCE

DIAMOND

PLATINUM

CENTRAL AFRICAN

AUSTRALIANS

TIN—EASTERN

TIN—NIGERIAN

TIN—MISCELLANEOUS

1971 High	1971 Low	Stock	Closing Price	+ or −	Div.	Times covered	Gross yield
315	196	Berali Tin	186	−5	184	2.0	‡
67⅞	41½	Pabulom (US$1)	41½	......	—	—	—
340	218	Geevor	220	......	60	ф	7.0
128	101	London Tin (20p)	113	......	48	1.1	7.5
69½	57	St. Piran	57	−2	20	1.4	8.8

COPPER

1971 High	1971 Low	Stock	Closing Price	+ or −	Div.	Times covered	Gross yield
111	75	Esperanza (12½p)	83	−1	180	1.5	‡
13⅛	10	Indian (10p)	11	......	11.1	3.0	10.1
296	237½	Messina (Ro. 60)	270	......	190	2.0	‡

MISCELLANEOUS

1971 High	1971 Low	Stock	Closing Price	+ or −	Div.	Times covered	Gross yield
7⅞	6	Burma Mines (17½p)	6½	......	—	—	—
26	17½	Cent. Prov Mn 12½p	21	......	10	ф	10.1
31	12½	Charterhall (5p)	12½	−1	—	—	—
612½	375	Cons. Murch (10c)	375	−10	80c	9.1	‡
280	275	G. F. Mg. Ind. Ob.	280	......	7	25.0	10.6
545	400	Northgate (C$1)	400	−25	50c	2.2	5.2
270	210	R.T.Z.	216	−1	24	1.8	2.8
285	193	Sabina Mines (C$1)	220	......	—	—	—

For Notes, see Stock Exchange Dealings.

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THE LEX COLUMN

Index rose 4.3 to 409.4

Hard facts behind the uncertainty

The last week has seen hours of telephone time spent speculating on the outcome of the world currency situation, and ending, no doubt, with an elusive sense of frustration. It may be more useful to concentrate on the known data: these are that the U.S. has attacked inflation and tried to protect its balance of payments situation and reflate. The significance of the wage/price freeze is that it is a breakthrough and that some sort of control will probably remain after the 90 days.

As far as reflation is concerned, the presumption would be that the pre-election boom game has been restored. Why should that mean anything other than that the Dow will make a further attempt at the 1000 level?

As for inflation, here is a working hypothesis. The U.K. and the U.S. are attempting to control inflation. Both countries have historically high and perhaps rising unemployment rates. Their inflation levels are therefore past the peak and heading more or less sharply lower. To the extent that this has not been recognised it would call for some major shifts in investment ratings.

We might suppose, then, that the post-war uptrend in long-term interest rates is well and truly over. It is now possible that significantly lower long interest rates will come to be regarded as consistent with present (or lower) share price levels. On the argument that both the U.S. and the U.K. are undergoing an important shift towards thrift, we might bear in mind the possibility that the traditional relationship between interest rates and the economic cycle will be broken (or that the cycle will not be a traditional one). Finally, in looking at equity prices, we might expect a reshuffle between the inflation beneficiaries and sufferers.

Quinton Hazell

Quinton Hazell's accounts revise the 1971-72 forecast up from £1.85m. pre-tax at the time of last April's rights issue to at least £2.1m. against last year's £1.62m., and show why a funding operation was necessary with March bank overdrafts representing some 30 per cent. of shareholders' funds, and big expansion plans for the current year.

In terms of the available U.K. replacement market, Hazell must be close to saturation levels in cooling systems, and claims some two-thirds of the steering and suspension market. But with ambitious eyes on the EEC and EFTA markets, currently under 5 per cent. of sales, the group plans to double water pump output and increase steering system production by 50 per cent. over the year. Meantime the rapidly growing exhaust and transmission sides, each with under a third of the market, are also getting extra capacity, and the trend towards exhaust fitting depots, switching business away from the garage forecourts and the original equipment specialists, is another bonus. Finally the distribution depots, currently accounting for about 40 per cent. of group output against a third a year ago, will be increased by two-thirds to 100 branches. Against this background, there can be few complaints about a prospective p/e of around 16½ at 49½p.

See also Page 24

John Peters

The upturn in furnishing demand felt by John Peters during the latter part of 1969-70 ran on into last year, and this is partly reflected by a more than trebled increase—£97,000—in the addition deferred profit reserve. Thus with the clothing division performing equally well the upshot is a rise in profits of a fifth to £941,000 pre-tax on a sales rise in the region of 12 per cent. However, this is just as well for the shares have outperformed the stores sector this year by some 20 points, rising from a low of 78½p to 133p.

At the net attributable profits level there is help from a sub-normal tax charge via pre-acquisition (furniture) losses, which pushes earnings up from 7p to 10p a share, or 8.7p fully taxed. That leaves a p/e of 13 (15 fully taxed) facing a healthy start to 1971-72 in both divisions. In domestic furniture, for one, U.K. manufacturers' order books were some two-thirds higher at £39.1m. on April 30, though the current half might find removal expenses (the new clothing factory was occupied in June) a minor brake on clothing growth. As for credit trading, hire purchase turnover accounts for 30 per cent. of total furniture sales so there is scope here for a fair up-grading, given the mini-Budget's lead towards easier credit.

See also Page 16

L. Hammond

It has been clear for some time that 1970-71 would not be L. Hammond's year. Last March, the forecast was that profits would be "not less than" in 1969-70; for the calendar year 1970 insurance brokers' profits were up 18 per cent. on average while earnings rose 22 per cent. This week saw the resignation of a group managing director appointed last March; and yesterday brought the results, with pre-tax profits down from £817,000 to £714,000, earnings from 7.1p to 6p a share, and the shares 18p lower at 100p, after 90p.

There are two areas of positive decline. First, there is a drop in investment income from £350,000 to £283,000 which has come as no surprise to the cognoscenti. Sheppards and Chase's last note on the company pointed out its relatively high proportion of year-end creditors to brokerage. With Lloyds and the composites pushing the brokers for faster settlement last year, and lower short term money market rates to boot, Hammond looked a natural for an investment income squeeze. The other area of decline is in underwriting, and in neither area does Hammond hold out much hope of recovery in the current year. Thus the forecast of an additional £80,000 pre-tax from sub-letting part of the head office is a relief, rather than an encouragement and Hammonds' vulnerability to a bid is more important that its prospects to a p/e of 16.3.

See also Page 24

MAN OF THE WEEK

Big man in a big job

BY PAUL LEWIS

NO ONE could miss Paul Volcker easily in a crowd. President Nixon's international monetary trouble shooter stands all of six feet seven inches high in his sober black socks, weighs 240 lbs and tops off this impressive frame with a pair of steely eyes, a slack jaw and a near bald crown to his head. Yet while he is distinctive enough as a man, the latest dollar crisis has shown that the U.S. Treasury Under Secretary for Monetary Affairs must now be rated quite an enigma when it comes to policy making.

Paul Volcker has held his present job since the Republicans first came to power some two and a half years ago. That he got the job at all is noteworthy since he is widely believed to be a Democrat. But the fact that he has kept his post despite the dollar's vicissitudes and a change at the top of the Treasury underlines both his professional competence and his growing personal authority in Washington. As his lightning European tour showed this week, he remains the key man in the crisis so far as foreign dollar holders are concerned.

Proven ability

The usual explanation of Volcker's appointment is that President Nixon's first Treasury Secretary, David Kennedy, was uninterested in foreign affairs and simply wanted a cool man of proven ability to keep the dollar's international woes out of his office.

Volcker fitted the bill perfectly. Born in New Jersey in 1927, he graduated with high honours from Princetown and studied further at Harvard and the LSE in London. He had done several stints at the Treasury (including one as Deputy Under

Secretary for Monetary Affairs with Douglas Dillon) and wound up as a Vice President of Chase Manhattan Bank, thus satisfying the Republicans' penchant for practitioners over theorists.

All this still counted in his favour when John Connally took over the Treasury earlier this year—for as a Texan lawyer and political professional he too had little time for the metaphysics of the international monetary game. But an additional factor of importance was that Volcker had done his job superbly, accomplishing every mission with which he had been entrusted over the previous two years.

In some ways Volcker's activities over the past two and a-half years resembled those of the British Treasury knights in the run-up to devaluation. But with one big difference. To get his way he, too, had to win the personal confidence of the charmed circles of international monetary managers—the Emmingers and Ossolas of this world—using the same subtle mixture of flattery, threats and sweet reason and appealing to everyone's hope that somehow things would be better tomorrow.

The vital distinction, of course, is that when in the end all the British promises came to nothing, the Government accepted the inevitable and devalued with as good a grace as it could muster.

The American approach has been very different. The import surcharge has gone on and the rest of the world has been told bluntly that the choice is between revaluing or facing the spectre of protectionism.

Key role

Where the Under-Secretary stands personally in all this is the central point in the enigma. Up to now he has always seemed by birth, education and temperament a partisan of international co-operation and the natural ally in the Administration of a civil service still deeply committed to free trade but fearful of the isolationist tendencies welling up inside the Republican party. Yet in Washington the word is that Volcker himself played a key role in planning and selling the President's "get tough with foreigners" approach. And if an educated East Coaster like Paul Volcker can suffer a blinding conversion on the road to Europe, as it were, there can be no doubting the strength of feeling among the Middle Americans who dominate the Cabinet.

Lynch adamant on Dublin's right to concern over Ulster

BY DOMINICK J. COYLE

DUBLIN, August 20.

THE battle of words between the Dublin and London Prime Ministers over Northern Ireland continued to-day with another tough statement from Mr. Lynch, this time rejecting Mr. Heath's assertion that the troubles in the North were of no concern to the Government here.

On the contrary, said Mr. Lynch, any situation in which the lives and destinies of Irish people were at stake was of vital concern to him, and to his Government, and he made it plain that this concern would find positive expression in official support for the campaign of passive resistance planned for the North.

Explanations

The Irish premier clashed even more directly with Mr. Heath over his claim last night that many of the activities of armed terrorists in Northern Ireland "originate in, or are supported from, the Republic." This, said Mr. Lynch, was not so; the troubles in the North did not originate from the 26 counties.

The clash between the two men, who are already scheduled to meet in London on October 20, originated from Mr. Lynch's telegram to the Heath-Faulkner talks at Chequers. In effect, it demanded immediate discussions on a political settlement to the Northern crisis. The alternative, said Mr. Lynch, was that his Government would support the passive resistance campaign being organised by Opposition groups in Northern Ireland.

Since news of this support was not essentially new—it had been exclusively forecast in the Financial Times last week—it is important to look elsewhere for an explanation as to why Mr. Lynch sought to intervene publically and directly in the Chequers talks. The explanation is two-fold:

First, the diplomatic line between London and Dublin, concerning events in the North, has been practically blocked for many months now. Secondly, Mr. Lynch is himself under considerable pressure, both within the ranks of the ruling Fianna Fail party at Parliamentary level and also in the constituencies, for not being "tough enough on the British."

The first of these two reasons is by far the more important, although a great deal of publicity here has been directed at the second explanation, following the resignation of seven constituency officers in Mr. Lynch's own electoral district of Cork. These "dissidents," and many others throughout the country, have left Fianna Fail to join the new Republican Party being organised by one of Mr. Lynch's former Ministers, Mr. Kevin Boland.

But it is the diplomatic vacuum between the two capitals which has produced the really acute frustration in Dublin. This was confirmed two weeks ago by Dr. P. J. Hillery, the Minister for Foreign Affairs, in a special interview with the Financial Times, in which it was made abundantly clear that the Lynch Government felt it was now totally unable to influence *British policy*.

Following that interview, Dr. Hillery visited London for talks with the Home Secretary, Mr. Maudling. Neither side has since given any official indication as to the nature of these discussions, but I understand they amounted to "a dialogue of the deaf." That meeting convinced the Government here that Britain saw the Northern crisis in a strictly military sense—law and order must be returned to the streets—and it was followed within 24 hours by Mr. Lynch's statement that "Stormont must go."

The Lynch-Heath confrontation is interpreted in newspapers here as an indication that Anglo-Irish diplomatic relations are now at their lowest point since the end of World War Two (when Churchill and de Valera clashed publicly over the Republic's neutrality in the war). In fact, the seeds of the clash were planted many months ago.

When Mr. Heath met Mr. Lynch at the United Nations in New York last October, the Irish side was left with the impression that Britain accepted the fact that Dublin had a vested and legitimate interest in events in the North. This was seen as a continuation of Mr. Wilson's policy, but Ministers here now insist that "policy has changed under the Tories."

The present rift between Dublin and London is now almost complete. Mr. Lynch, and his senior officials, appear genuinely convinced that Northern Ireland is close to civil war. They claim to be equally satisfied that Mr. Heath and his colleagues in London do not appreciate the full significance of the crisis. As one official told me to-day: "Our warnings to London have proved right in the past, but they still will not accept our forecasts."

What is not accepted here, again primarily because of the bad state of diplomatic relations, is that Mr. Heath may very well believe that some fairly fundamental (but not necessarily constitutional) changes are necessary in Northern Ireland, with a view to involving the minority there actively in government, but that Britain is insisting that the terrorists must first be beaten on the streets.

UCS: new moves within two weeks

BY ANDREW HARGRAVE, SCOTTISH CORRESPONDENT

GLASGOW, August 20.

SWIFT Government moves on Upper Clyde Shipbuilders are expected over the next fortnight following yesterday's surprise visit to Glasgow by Sir John Eden, Minister for Industry.

Sir John left Glasgow this morning after a round of talks which ended at 1 am and which included 3½ hours with Scottish trade union leaders and Upper Clyde shop stewards as well as two sessions with the UCS liquidator, Mr. Robert C. Smith.

While the Government is sticking to its formula for restructuring shipbuilding on the Upper Clyde—this is still stoutly opposed by the unions—there now appears to be both a sense of urgency and a willingness to modify it in the light of events since Mr. John Davies, Secretary for Trade and Industry announced it in the Commons *three weeks ago*.

First, the "embryo Board" of a new Government-backed company based on the Govan-Linthouse complex is likely to be announced early next month. The Board, first mentioned by Sir John here yesterday, will form the nucleus of the company and gradually take over from the liquidator as UCS is being wound up. This will take place before the formal setting up of the company which requires legislation.

The Board will be able to initiate moves for new orders (something the liquidator cannot do) and also negotiate with the unions on future co-operation. The signs now point to an operation not necessarily limited to the modest size and scale indicated by Mr. Davies's "four wise men"—a total of 2,500 workers and staff producing six ships a year.

Contracts

Second, contracts for 13 ships not yet laid down at the Upper Clyde yards and suspended shortly after UCS went into liquidation on June 14 will at last be taken in hand. A meeting between Mr. Nicholas Ridley, Parliamentary Secretary at the Department for Trade and Industry and the shipowners concerned is to take place next Friday.

Third, also next week, proposals to acquire the Clydebank yard and possibly others may be made by Mr. Archibald Kelly, the Clydeside industrialist who owns the *Liffey Dockyard* in Dublin and who met Sir John on Tuesday. There seemed little hope of saving the Clydebank and Scotstoun yards when Mr. Davies made his Commons statement as Mr. Kelly seemed unwilling to consider a deal without financial support from the Government.

It now appears that the Government is ready to provide such support under Section Four of the Local Employment Act—the same as used by the Labour Government in providing the last £7m. loan for UCS—not only to Mr. Kelly but any other interested party making a viable proposition.

Three UCS shop stewards flew to Islay off the west coast of Scotland this afternoon to discuss with Mr. Kelly his bid for the UCS yards.

Finally, Sir John will have his second meeting with Mr. Vic Feather, General Secretary of the TUC, on the proposals for a Clydeside Development Authority, probably towards the end of next week. They first met yesterday before Sir John flew off to Glasgow, following Mr. Feather's three-day stay at Clydeside which included the special Scottish Congress on unemployment, a meeting of the TUC Economic Committee with local trade union and Upper Clyde leaders and the mass protest in Glasgow.

Development

Although Sir John yesterday specifically excluded the Upper Clyde from the development authority discussions, it seems hard to believe that any talks on job creation in the West of Scotland could avoid the problem of shipyard reorganisation.

The proposals aim at the authority taking over the UCS yards and keep them open for "at least the immediate future" until alternative jobs are created. "We are concerned about jobs not political ideologies or philosophies, nationalised or private industries," Mr. Feather told me to-day. "And that is the concern of the shop stewards as well."

F.T. share index hourly

Financial Times Reporter

The Financial Times Industrial Ordinary share index is now being calculated on an hourly basis. Since the beginning of 1965, it has been calculated four times daily, on prices ruling at 10.30 a.m., noon, 2.45 p.m. and the close.

From next Monday, the index will be made available seven times a day. Apart from the usual closing index, based on prices up to and sometimes beyond 5 p.m. depending on "after-hours" activity, calculations will be made every hour on the hour—from 10 a.m. to 3 p.m.—during official Stock Exchange trading which starts at 9.30 a.m. and ends at 3.30 p.m.

The index figures will be made available to the GPO for incorporation in the F.T. Business News Summary telephone service on (01-246 8026, and a record of the indices will appear in the F.T. Stock Indices table on the Stock Exchange Report page.

Signs of more conciliatory attitude in London

BY RICHARD EVANS, LOBBY CORRESPONDENT

ALTHOUGH Anglo-Irish relations are at a very low ebb, there were signs of a more conciliatory attitude in London yesterday.

Mr. Heath decided to make no response to Mr. Lynch's further strongly-worded statement, and Ministers hope that the outburst in the exchange of telegrams on Thursday night will have cleared the air rather than have ruptured relations indefinitely.

The October meeting between Mr. Heath and Mr. Lynch will go ahead and could be brought forward if the Irish Prime Minister feel an early meeting to be desirable. But there is no intention in London of qualifying Mr. Heath's insistence that Ulster is a British affair and external interference will not be tolerated.

Following the talks between Mr. Heath and Mr. Brian Faulkner, it is understood that legislation might be introduced at Westminster to prevent any future Stormont Government from tampering with the reforms implemented over the last two years.

This, it is felt, would go some way towards calming the fears of the Catholic minority about what could happen if a more extreme Protestant administration were to take over at Stormont.

MPs critical

The Government also faces a growing prospect of a break in the bi-partisan policy with the Opposition. Labour leaders are privately accusing Mr. Heath of opting for a military solution in Ulster rather than pursuing a political initiative at the same time as combatting terrorism.

The Opposition Chief Whip, Mr. Bob Mellish, after telephone consultations with the Labour leader, Mr. Harold Wilson, and with Mr. James Callaghan, "shadow" Home Secretary, formally renewed the Opposition's demand for the recall of Parliament to discuss the Ulster situation for two days in the first week of September.

The proposal, which has the backing of the Liberals, was being studied last night by the Government Chief Whip, Mr. Francis Pym and other senior Ministers but no reply is expected before next week. A strong impression is that Ministers see no reason for a recall and indeed believe it could do harm by allowing a platform for extremist views.

Mr. Wilson was said to be shocked at the tone of the Prime Minister's reply to Mr. Lynch, and the Opposition is certain to level accusations of hot temper and petulance at Mr. Heath.

Catholics leaving public life

BY OUR OWN CORRESPONDENT

BELFAST, August 20.

WITH THE scale of violence in Northern Ireland now diminishing from the peak reached after the introduction of internment, the Government at Stormont was showing increasing concern to-day at the mounting evidence of Roman Catholics withdrawing from the public life of the province.

This has been highlighted by the mass withdrawal of Catholics in Londonderry but there were indications to-day that other prominent figures who have given long-standing public service are almost certain to follow the same course.

Concern at this development is now overshadowing the initial euphoria in Government and Unionist Party circles at Mr. Heath's sharp rebuke to the Premier of the Irish Republic, Mr. Lynch.

The rebuff is regarded by the Opposition here as further evidence that British Government policy on Northern Ireland changed with the advent of the Conservative administration.

Opposition spokesmen to-day pointed in contrast to the emphasis given by the "shadow" Home Secretary, Mr. Callaghan, on *the need for a political* initiative.

Support for their views on a political initiative came from the Alliance Party, a party of moderates comprising both Protestants and Catholics.

It called on Mr. Heath to convene a conference of all political parties which rejected violence "to draw up an acceptable plan for governing Northern Ireland."

As Mr. Lynch replied to Mr. Heath, Stormont published a White Paper listing all the reforms which have been enacted as an answer to Dublin's assertion last week that the reform programme had not been carried through.

The White Paper was coupled with an appeal to Catholics to accept that the opportunity now existed in Ulster "to raise the whole standard of life in a full, *free participating society*."

The White Paper said that the Government recognised its obligations but it alone could not ensure success.

"The creation of a stable and *prosperous society requires* the co-operation of all sections of this community," said the White Paper.

At the same time, the British Army commander, General Sir Harry Tuzo, travelled to Londonderry to ask representatives of the Catholics to reconsider their decision to withdraw from public office, and a further appeal came from the Minister of Community Relations, Mr. David Bleakley. He said: "To resign from public service when it is most needed can only serve to drive Protestants and Catholics further apart.

"Above all else, it is time that every Northern Ireland citizen realised that we are now very close to a terrible civil war in which thousands could be slaughtered.

"It is time we pulled back from the brink before it is too late."

Stormont's claims, Page 23

Truman: Institutions appear to hold key

BY SANDY McLACHLAN

BOTH Grand Metropolitan Hotels and Watney Mann were in the market again for Truman shares yesterday. Grand Met. is believed to have picked up around 120,000 shares, and Watney possibly slightly more.

This leaves Grand Met. with around 33 per cent. of Truman including the support of the Whitbread 11 per cent. Watney now has around 35 per cent. and with the claimed additional support of around 7 per cent. from the 16 per cent. Buxton family holdings, reckons to have a total support of getting on for 42 per cent.

Marginal

The casting vote now appears to lie with those institutional shareholders who have not yet sold out. These are believed to hold something over 10 per cent. of the Truman equity, and some at least can be expected to go to Grand Met before its offer closes on Monday afternoon.

In fact, last night Grand Met. seemed to emerge as marginal favourite to win control of Truman, given its advantage of a closing date two days earlier than Watney, and the fact that the extra 15p a share in cash or loan stock which is offered under the "topping up" requirements of the Takeover Code, may only be available if Grand Met. can go unconditional on Monday.

Certainly Grand Met.'s advisers, S. G. Warburg, were happy last night with acceptances so far received, although Guinness Mahon for Watney still think they are in with a good chance.

However, with the balance between the two sides so even there is still the outside possibility that the battle may end in deadlock. In almost every bid, some 5 per cent. or more of shares never come out at all, and this proportion may be greater in this case since the climax is right in the middle of the holiday season.

Shares in both Watney and Truman remained unchanged yesterday at 123p and 259p respectively. Grand Met slipped back 3p to 181p partly in reaction to Thursday's announcement of the extra 15p a share for Truman, but partly also because of its apparent fractional advantage.

PIT BREAKS BRITISH RECORD

The 650 pitmen at Silverdale Colliery, Newcastle, Staffs., have set up a British coal-face productivity record of 1,674.9 cwts a man-shift. The previous best was 1,615.6 cwts at Riddings Drift Mine, South Kirkby, Yorks, last year.

The NCB recently announced a £1.25m. scheme to increase output at Silverdale. The scheme involves sinking a drift to tap additional reserves.

Weather

U.K. TO-DAY

Most districts will be dry with sunny spells after some fog patches at first.

The N. and W. of Scotland and N. Ireland will be rather cloudy with occasional drizzle. S.E. parts of Britain will start cloudy with occasional rain in places.

Temperatures generally will be near or rather above normal.

London; S.E. and E. Eng.; E. Anglia; E. Midlands

Cloudy and misty with rain in places at first; sunny intervals later. Wind N. light or moderate. Max. 20C (68F).

Cent. S. and S.W. Eng; W. Midlands; Channel Isles; S. Wales

Rather cloudy in places at first but mostly dry and sunny. Wind N.W. to N. light or moderate. Max. 23C (73F).

N. Wales; N.W., Cent. N. and N.E. Eng.; Lake District; Isle of Man; Borders; E. and S.W. Scot.; Glasgow

Some fog patches at first, but dry with sunny periods later. Wind light variable. Max. 23C (73F).

Edinburgh; Cent. Highlands; Dundee

Fog patches at first, then mostly sunny. Wind S. to S.W. light. Max. 23C (73F).

Caithness; Argyll; N.W. Scot.; Orkney; N. Ireland

Rather cloudy with occasional drizzle, but some bright intervals. Hill and coastal fog patches. Wind S. Light or moderate. Max. 19C (66F).

Shetland

Mostly cloudy: occasional rain. Hill and coastal fog patches. Wind S. light or moderate. Max. 14C (57F).

Outlook: Mostly dry and warm in S. and E. A little rain at times in N. and W. but some bright intervals and near normal.

BUSINESS CENTRES

		Y'day Mid-day °C	°F			Y'day Mid-day °C	°F
Amstrdm.	F	22	72	Madrid	S	[illegible]	[illegible]
Bahrain	S	35	95	Manchstr.	F	[illegible]	[illegible]
Beirut	F	30	86	Melbourne	C	[illegible]	[illegible]
Belfast	C	16	61	Milan	St	[illegible]	[illegible]
Belgrade	S	27	81	Montreal	C	[illegible]	[illegible]
Berlin	S	31	88	Moscow	S	[illegible]	[illegible]
Birmghm.	C	19	66	Munich	F	[illegible]	[illegible]
Bristol	C	20	68	Newcastle	S	[illegible]	[illegible]
Brussels	C	20	68	New York	C	[illegible]	[illegible]
Budapest	S	29	84	Oslo	S	[illegible]	[illegible]
Cairo	S	34	93	Paris	F	[illegible]	[illegible]
Cardiff	F	22	72	Prague	S	[illegible]	[illegible]
Cologne	R	21	70	Reykjavik	S	[illegible]	[illegible]
Copnhagn.	S	26	79	Rome	S	[illegible]	[illegible]
Dublin	S	19	66	Singapore	C	[illegible]	[illegible]
Edinb'rgh	S	16	61	Stockholm	S	[illegible]	[illegible]
Frankfurt	S	25	77	Strasbourg	R	[illegible]	[illegible]
Geneva	F	17	63	Sydney	C	[illegible]	[illegible]
Glasgow	S	21	70	Tehran	S	[illegible]	[illegible]
Helsinki	S	22	72	Tel Aviv	S	[illegible]	[illegible]
H Kong	C	29	84	Tokyo	R	[illegible]	[illegible]
Jo'burg	S	20	68	Toronto	S	[illegible]	[illegible]
Lisbon	S	25	77	Vienna	F	[illegible]	[illegible]
London	R	17	63	Warsaw	S	[illegible]	[illegible]
Luxembrg.	C	18	64	Zurich	St	[illegible]	[illegible]

HOLIDAY RESORTS

		Y'day Mid-day °C	°F			Y'day Mid-day °C	°F
Alarcm	S	31	88	Jersey	C	[illegible]	[illegible]
Alxndria.	C	29	84	Las Plms.	S	[illegible]	[illegible]
Algiers	S	30	86	Luxor	S	[illegible]	[illegible]
Athens	S	27	81	Majorca	S	[illegible]	[illegible]
Barcelona	S	29	84	Malaga	S	[illegible]	[illegible]
Blackpool	S	19	66	Malta	S	[illegible]	[illegible]
Bordeaux	F	22	72	Nairobi	S	[illegible]	[illegible]
Boulogne	R	16	61	Naples	S	[illegible]	[illegible]
Casablnca.	S	24	75	Nassau	C	[illegible]	[illegible]
Cape Tn.	S	13	55	Nice	S	[illegible]	[illegible]
Corfu	S	30	86	Nicosia	F	[illegible]	[illegible]
Dubrovnik	S	28	82	Oporto	S	[illegible]	[illegible]
Faro	S	28	82	Rhodes	S	[illegible]	[illegible]
Florence	S	34	93	Salzburg	F	[illegible]	[illegible]
Funchal	F	24	75	St. Moritz	C	[illegible]	[illegible]
Gibraltar	S	23	73	Tangier	S	[illegible]	[illegible]
Guernsey	F	17	63	Tenerife	S	[illegible]	[illegible]
Innsbruck	F	26	79	Tunis	S	[illegible]	[illegible]
Inverness	S	19	66	Valencia	S	[illegible]	[illegible]
I. of Man	S	18	64	Venice	S	[illegible]	[illegible]
Istanbul	F	27	81				

S—Sunny. F—Fair. C—Cloudy. D—Drizzle. R—Rain. St—Stormy.

هكذا من الأصل